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9 June 1948

MEMORANDUM**SUBJECT: ADMINISTRATION AND MANAGEMENT, CIA****General**

1. Administration and Management (A & M) is charged with matters pertaining to budgetary action, accounting and fiscal support, logistics and personnel services and management. It is a moderately large unit of some [redacted] Since the separation of Reference Center and its reconstitution as Office of Collection and Dissemination, A & M has four branches, i. e., Budget and Finance Branch, Services Branch, Personnel Branch and Management Branch.

2. [redacted] enlisted in the regular Army at the age of 16 and by 1943 had risen to the temporary rank of Colonel. He retired from active service in 1947 as a master sergeant at the age of 42. His background appears to be mostly administrative, and he is probably a capable administrative officer. From several talks with [redacted] I would judge him to be shrewd and somewhat calculating, with a desire for power and ability to have his finger in every pie (this may be slightly colored by outside opinion, but [redacted] told me that he considers himself as a combination of G-1, G-3 and G-4). I believe him to be determined and ambitious.

3. [redacted] I have talked with him twice, and he has made no very clear impression. I believe he admires [redacted] and is imbued with the A & M spirit.

Budget and Finance Branch

1. Chief of the Budget and Finance Branch is Edward L. Saunders, BSC and MSC, Southeastern University, Washington, D. C. Saunders has a long background of Government experience, mostly in affairs of budget and finance. He appears to be a rather mild man, perhaps slightly lacking in force, but he is enthusiastic about his job and, I believe, knows his business. He claims that his relations with the Bureau of the Budget and the GAO are excellent, that he has never had a budget pared down, and is confident of his ability to obtain supplementary funds when necessary. His Branch is divided into three divisions, totalling approximately [redacted]

2. Budget Division

This Division is responsible for preparation of the annual budget and for handling of all CIA budgetary affairs with the Bureau of the Budget. They also coordinate with Management Branch in the establishment

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Services Branch

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5. Property Control Division

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6. Services Division

Is responsible for couriers, interior telephone maintenance, space control, building maintenance and administrative activities in relation to moving FBIS installations abroad and in this country.

7. The Services Branch is vitally interested in the possibility of more centralization. [] told me that at this time CIA had some 400,000 square feet of space in 19 buildings. Some months ago, studies were made of various locations and building estimates with the idea in mind of putting all of CIA under one roof. They were unable to find a spot centrally located which they considered adequate, and they discovered that a building of the type necessary would cost approximately []. The plan was temporarily shelved as it was felt that the time was not propitious to embark on such a project.

Personnel Branch

1. This Branch is primarily interested in recruiting, maintaining personnel position control system to reflect budgetary, classification, and organizational status of all positions. It also provides medical and employee relation services and has approximately [] William J. Kelly, Chief of the Branch, is a young man of 30 who took an AB degree at Boston College in Political Science and Business Administration. From 1940 until his assignment to CIA in 1946, he had diversified experience in various Government departments. He was also Chief of Personnel in the ETO and MEDTO during 1945 and 1946. I have had several talks with Kelly and find him a hard-working, enthusiastic individual, who is aware of the many difficulties with which his Branch is confronted, and all in all, made a favorable impression on me. Incidentally, although recruiting and personnel problems are a very sore point throughout CIA, I have never heard any criticism of Kelly personally.

2. Problems of recruiting and turnover of personnel will be discussed later on.

Management Branch

1. This Branch conducts over-all management surveys, supervises organizational matters, establishes personnel ceilings, and provides operational analysis. []

2. Management Surveys

These surveys are not produced at regular intervals but only in specific instances as required by the directorate or the Executive for A & M. [] claims that his Branch keeps closely in touch with day to day operations and suggests from time to time improvements in methods and pro-

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cedures, so that a complete survey is seldom necessary. He feels that the functions of his Branch should be more preventive than curative in nature.

3. Operational Analysis

A system has been devised for the various offices to report their activities on a monthly basis. These reports are summarized and presented graphically where possible by the Branch with the intention of showing trends in intelligence production, requests for collection and dissemination, etc. Only four copies of this report are produced, and it is very jealously guarded.

4. One always feels that a management branch, to justify its existence, must have a tendency to continually over-manage. However, [redacted] although young and fired with great zeal, attempts to approach his problems with moderation.

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Criticism of Administration and Management

1. Criticism of A & M necessarily comes from inside CIA and, more specifically, from OO and ORE. There is a considerable amount of criticism on such minor matters as space, delay in obtaining supplies, etc. There are, however, five major subjects which are worthy of discussion.

2. The principle criticism leveled against A & M is to the effect that there has been created by Administration a virtually impenetrable layer between the Director and the Assistant Directors for the operating Offices, and that [redacted] personally wields far too much authority and has become the closest and most important advisor to the Director. This criticism would appear valid. The whole question of staff levels seems to be wrong. Whereas in theory the Executives and Assistant Directors are on the same level, in practice this is not so. Whether by chance, progressive encroachment, or deliberate usurpation of prerogatives and power, the Executive for A & M has become the most influential staff member, and the Assistant Directors find themselves on a somewhat lower level. The fact that CIA is so decentralized increases this difficulty as the Assistant Directors are located at a considerable distance from the Director. To my mind, the Assistant Directors of the operating Offices should form a close advisory group to the Director. At the present time, this does not appear to be so. There have been so many directives for procedure issued, and so many channels for reporting have been set up, that it is very difficult to forward important papers to the Director and receive favorable consideration. There appears to be very little discussion on major problems between the Director and Assistant Directors, and I am told, that, at present, the weekly staff meeting consumes less than half an hour, and that no current problems are discussed in detail at these meetings. The success of CIA will depend upon the efficiency of the operating Offices and not upon performance of A & M.

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3. There is criticism of the predominance of Service and State personnel in high brackets, and the fact that replacements are frequently made from outside and not by promotion. This criticism would also appear valid. At present, key slots are reserved for approximately [redacted] representatives of each

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25X1 of the Armed Services and [] for State Department. The Service personnel
25X1 unquestionably consider their assignment to CIA as a two-year tour of duty.
[] claims that this constant change brings in new personnel
with fresh ideas who are in touch with the latest Service thinking. On the
other hand, I believe that it must destroy continuity. It also means that
occasionally replacement in these reserved slots are made by selection of
a Service or State representative with too little consideration of the fact
that there may be better qualified civilian personnel available. When re-
placement is made from outside in this manner and not through promotion, it
tends to discourage CIA personnel. For instance, [] who was
25X1 Gen. Sibert's Deputy in OO, has been promoted to be Assistant Director in
General Sibert's place. However, his Deputy, instead of being brought up
through the ranks, is going to be procured from one of the Services. []
25X1 claims that gradually the number of these Service slots will be whittled
down from the present [] Unquestionably, there should be
some Service and State personnel in CIA, but there is a very grave question
in my mind as to whether the present number is not far too large.

25X1 4. The size of A & M has often been criticized, and it has been stated
25X1 [] I am not quite
25X1 sure whether this criticism is valid, as it is based on personnel figures
25X1 of approximately [] for A & M and approximately [] for CIA. Reference
25X1 Center has been removed from A & M (although it will unquestionably remain
25X1 very much within the [] sphere of influence), which will reduce the
A & M personnel to approximately [] The CIA figure of [] does not in-
clude OSO personnel. If the OSO personnel figure were included in the CIA
total and Reference Center were deducted from A & M, the resultant ratio
would be very much more favorable to A & M. On this comparative basis, the
size of A & M does not appear unreasonably large, and it is probable that
A & M is accomplishing its normal mission of service, supply, personnel
procurement, etc. in an adequate manner.

25X1 5. Personnel recruiting within CIA also seems to be the subject of much
unfavorable comment, and the proportion of turnover has been mentioned
several times. Actually, for the period 1 February 1947 through 30 April
1948, there were a total of [] separations. This figure does not include
25X1 OSO. During the same period, accretions amounted to [] both through
recruiting and absorption of entire units such as the Map Division of ORE.
Recruiting, however, does present many difficulties. At the present time,
there is a noticeable shortage of clerical personnel and severe competition
between the various Washington Departments and agencies. New and temporary
agencies such as ECA are making drives for clerical personnel and, in some
cases, are able to offer them better positions than the existing departments.
Kelly, Chief of the Personnel Branch, has been in close contact with schools
in Washington and feels that upon graduation in June, he will have between
100 and 150 candidates lined up. I feel that he is doing everything within
his power to solve this problem. Recruiting for ORE, OO and SO also presents
25X1 problems as requirements in many cases are specialized. For instance, OO in
their [] Branches require a large number of people
with two or more language backgrounds, some intelligence experience and, in
many cases, considerable area knowledge. As many of these people are foreign
born, the security question is rather acute. This, to a certain extent, is

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also true of ORE. Kelly feels that he is tapping every available source. He is combing the lists of reserve ONI, Air Intelligence and Army Intelligence offices. He is in close contact with many colleges and universities and other institutions in the country. His Branch has scanned, for instance, the list of ECA applicants. He now has recruiting teams that travel about the country calling on colleges, large banks and corporations. The recruiting problem in a new and growing organization is always difficult, but I feel that the program, given time, may show results.

6. As is usually the case, there has been criticism of the difficulty in obtaining promotions. Kelly states that Personnel Branch only checks promotions on the basis of available slots and time in grade, and he says that about 90 per cent go through on recommendation of the Branch Chief. This may be true, but on the other hand, I am told by [redacted]

[redacted] that CIA has changed, more than once, the time in grade requirements. In one specific case, he stated that they had taken on a P-4 with the understanding that within six months he would be promoted to P-5. After the man had been hired, time in grade requirements had been changed to a year and later 18 months, so that as far as I know, [redacted] man is still a P-4. By and large, however, promotion problems are probably not more acute than in other departments and agencies.

Matters that Possibly Require Further Study

1. Whether the Executive for A & M occupies too powerful a position in relation to the Assistant Directors.

2. Whether A & M has become a barrier between the Director and the Assistant Directors, thereby hindering the Assistant Directors in the performance of their normal function as close advisors to the Director. Whether this is due to red tape, channelizing, physical decentralization of buildings, personalities or other reasons.

3. That the question of Service and State slots is one that merits attention due to the attendant lack of continuity in higher brackets brought about by the return of such personnel to their parent Service after a two-year tour of duty.

4. Whether it might be wise to further review the recruiting program in light of clerical personnel problems and the difficulty through special qualifications of recruiting for ORE, OO and OSO. It is admittedly a difficult thing to make a survey of a personnel program, and the Chief of the Personnel Branch does appear to be energetic and to be attempting to tap every source.

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16 June 1948

MEMORANDUM FOR: Interdepartmental Coordinating and Planning Staff

1. ICAPS is a survivor of the former conception of the Central Intelligence Group as a cooperative interdepartmental enterprise. Its members are all appointed as representatives of their respective agencies, with the function of advising the Director of Central Intelligence on the coordination of interdepartmental activities of the IAC agencies. The membership includes the following: two from State Department, including the Chairman of ICAPS, one Navy captain, one Army colonel (post now vacant), two Air Force colonels.

2. ICAPS has the responsibility of acting as a Secretariat for the IAC and, generally, advising the Director of Central Intelligence on the coordination of interdepartmental activities. Matters now pending before it include the following: the preparation of a standard operating procedure for the clearance of papers; a State Department plan for the creation of scientific attachés, which has been under consideration for many months; a proposed intelligence directive regarding collection of intelligence; the program for the production of national intelligence surveys (handbooks of basic intelligence); a plan for the preparation of intelligence production schedules. In addition, some of the members of ICAPS have special responsibilities. The Chairman, Mr. Childs, represents CIA at the meetings of the NSC staff for preparation of NSC papers, but is sometimes accompanied by representatives of ORE. The other State Department member of ICAPS represents CIA on a SANACC Subcommittee concerned with plans for psychological warfare organization. One of the Air Force members of ICAPS, while performing no active ICAPS service, spends most of his time as a CIA liaison officer with the Joint Intelligence Group of the Joint Chiefs of Staff.

3. There is general agreement approaching unanimity that there is an important job of interdepartmental coordination to be done which ICAPS is not doing and which its members are not qualified to do. Criticism of ICAPS, both within CIA and outside, is considerable. Inside CIA there is much resentment because of the fact that ICAPS or its members represent CIA in many interdepartmental matters that could more effectively be handled by the operating sections of CIA. Thus it is regarded, in part, as an instrument which serves to keep the operating sections away from contact with outside agencies and from knowledge of CIA plans and policies. This resentment is particularly strong because of the feeling that seems to be justified that the members of ICAPS are, on the whole, incompetent. Affecting this situation, however, is the fact that the whole interdepartmental machinery for coordination of intelligence is not working properly, and the ineffectiveness of ICAPS is largely a reflection of the ineffectiveness of the Intelligence Advisory Committee as pointed out above.

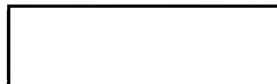
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and Planning Staff

10 June 1948

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4. It is probable that a move to do away with ICAPS would encounter initial objections from the member agencies of IAC, who probably regard ICAPS as an existing, however, poor, link with CIA. The conception of having an interdepartmental staff to advise the Director of CIA can, however, be effective only if the IAC becomes a more effective body than it now is and if ICAPS is staffed with more competent personnel. However, even if these conditions were met, it is open to serious doubt whether a staff such as ICAPS can more effectively promote interdepartmental coordination than the competent personnel in the operating sections of CIA. This view was clearly stated in a recent memorandum to the Director of CIA from Mr. Rabbitt, Assistant Director for the Office of Research and Estimates, in which he proposed that a staff council, comprising the assistant directors of the several offices of CIA, replace ICAPS as a staff advisory body to the Director.



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OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON
10 June 1948

MEMORANDUM: ~~FOR~~ INTELLIGENCE ADVISORY COMMITTEE

1. The IAC created by NSC Intelligence Directive No. 1 is a successor to the former Intelligence Advisory Board which existed during the life of the Central Intelligence Group under the National Intelligence Authority. Some of the present difficulties concerning the IAC can best be understood by reference to its development out of the former IAB.
2. The IAB was created by the Presidential letter of 22 January 1946 which set up the Central Intelligence Group. This letter was implemented by NIA Directive No. 1 of 8 February 1946 which provided that CIG "shall be considered, organized and operated as a cooperative interdepartmental activity". The NIA directive also established the composition of the IAB and provided that "all recommendations, prior to submission to this Authority (i.e. NIA) will be referred to the Board for concurrence or comment". The general effect of this situation was to give the IAB a position coordinate with that of the Director of the CIG, stemming from the same authority that controlled CIG.
3. The National Security Act which created CIA made no reference to an Intelligence Advisory Committee, although it included, among its general provisions, an authorization to the Director of Central Intelligence (as well as to other officials created by the Act) to appoint such advisory committees as he deems necessary. When, last fall, discussions began as to the setting up of an advisory committee to work with the Director of the Central Intelligence Agency created by the Act, two divergent points of view were brought out in sharp opposition to each other. On the one hand, the Director of Central Intelligence held that a new IAC should simply be created by him by virtue of the general authority granted him under the Act, and that this Committee would be turned to by him for advice. The departmental agencies, on the other hand, held that a new IAC should act in a sense as a board of the directors to the Director of CI. They refused to accept membership on an advisory committee simply set up by him and agreed to serve only on a Committee created by the National Security Council. The Department of the Army was particularly adamant during this controversy.
4. Finally, after several months of discussion, the present IAC was created by NSC Intelligence Directive No. 1, of 12 December 1947. In the words of the Directive, in order "to maintain the relationship essential to coordination between the CIA and the intelligence organizations, an Intelligence Advisory Committee ... shall be established to advise the Director of Central Intelligence". Under the Directive,

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Advisory Committee

10 June 1948

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the Director of Central Intelligence is required to obtain the views of the IAC before making any recommendations to the National Security Council pertaining to the intelligence activities of the various departments and agencies. In the event of non-concurrence by one of the Members of IAC, the problem is to be referred to the National Security Council for decision. The Members of the IAC, sitting under the Chairmanship of the Director of Central Intelligence, consist of the respective intelligence Chiefs from the Departments of State, Army, Navy and Air Force, the Joint Staff, and Atomic Energy Commission.

5. It is not clear, even to the people in CIA, whether the IAC has held one or two meetings since its creation; in any case, no more. The one meeting which is clearly established was called on the initiative of the Executive Secretary, NSC, to discuss a specific question pursuant to the wishes of the NSC. (This question was that of how to protect the intelligence agencies from being required to disclose confidential information to Congressional Committees). The IAC has never met to consider actual foreign intelligence situations and intelligence estimates, although Admiral Hillenkoetter seems to be somewhat confused on this point and has made statements to the contrary. However, the IAC has cleared and submitted to the NSC eight National Security Council Directives, which have been approved by the Council.

6. In practice, IAC action has been carried out through the routing of papers for concurrence and by the delegation of responsibility for the preparation of intelligence directives and other interdepartmental intelligence papers to a Standing Committee comprising representatives of each of the IAC agencies, usually from the planning staffs. This Standing Committee has just recently considered the advisability of further delegating its responsibilities to a subcommittee under it.

7. The fact is that the IAC machinery has not been effective in promoting interdepartmental coordination, and there seems now to be a feeling, at least in CIA, that it is preferable to avoid meetings which usually give rise to formal statements of position by the various representatives and, instead, to use informal channels for obtaining approval of necessary papers.

8. One fact contributing to the failure of the IAC has been the co-existence of similar bodies, comprising somewhat the same membership, with important responsibilities in the intelligence field. The membership of the U. S. Communications Intelligence Board is almost the same as that of the IAC, and the four Members of the Joint Intelligence Committee are, at the same time, four of the seven Members of the IAC.

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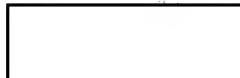
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Advisory Committee

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9. The basic weakness reaches back to the unwillingness of the IAC Members to give their full cooperation if they are to be purely advisory and the absence of strong CIA leadership which would be necessary to overcome this unwillingness and make IAC effective.



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15 June 1948

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MEMORANDUM

SUBJECT: Executive for Inspection and Security

General

25X1 1. The Executive for Inspection and Security (I & S) is charged with formulating and supervising the implementation of security policies pertaining to the safeguarding of classified information, the security of operations, personnel, equipment and installations of CIA; special inspections and investigations as directed by the Director; security clearance of all personnel; examinations and audit of all CIA fiscal transactions. I & S, with at present [] on duty, has two main branches, namely, the Security Branch and Inspection and Audit Branch.

25X1 2. Col. Sheffield Edwards, Executive for I & S, is a regular Army officer with a diversified background. I have known Col. Edwards for the last five years and I consider him an intelligent, enthusiastic and capable officer.

25X1 3. [] is Deputy to Colonel Edwards. Mr. [] has spent the years between 1929 and 1943 in the banking business and from 1943 to 1946 was in the Marine Corps and OSS. I have had several talks with Mr. [] and he also impressed me favorably.

Security Branch

25X1 1. The Security Branch, in general, is responsible for the development and enforcing of security regulations governing personnel, property and intelligence materials. It is also responsible for the conduct of special investigations, liaison with the FBI, and investigation and security clearance of personnel. The Branch has on duty some [] and is divided into Physical Security Division, Investigation Division and Security Control Staff.

25X1 2. Mr. [] Chief of Security Branch, was with the Department of Agriculture from 1930 to 1936 and with the Department of State as a special agent and security officer from 1936 to his assignment to CIA in 1947. I have had several talks with [] and believe him to be capable.

3. Physical Security Division

25X1 This Division is responsible for directing the program designed for the protection and security of all classified documents, installations, equipment and personnel. More specifically, it is responsible for pass control, PRA guards, day and night inspections, security procedures, finger prints, photographs, etc.

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4. Investigation Division

Includes a Personnel Security Section, Appraisal Section and Liaison Section charged with:

- (a) Security clearance of personnel
- (b)
- (c) Conducting exit interviews
- (d) Liaison with other Government agencies on security questions
- (e) Appraisal of recruited personnel, based on security checks and other information

5. Security Control Staff

Is to all intents and purposes a policy and planning group. Its duties include:

- (a) Develops, in cooperation with other Government agencies, uniform security control policies and practices
- (b) Prepares over-all security control policies for the collection and dissemination of intelligence materials
- (c) Develops coordinated security programs for regulation of internal security practices
- (d) Plans specific security projects as may be directed by the Director

Inspection and Audit Branch

1. This Branch conducts audits of the manner in which special funds are used and makes reports of financial transactions involving special and regular funds. It also conducts inspections to ascertain the adequacy and effectiveness of service and support. The Branch has only persons and is broken down into Audit Division and Inspection Division.

2. Deputy to Colonel Edwards, is also Chief of the Inspection and Audit Branch.

3. Audit Division

This Division is responsible for the conduct of audits and special examinations of vouchered and unvouchered funds. They do general periodic audits. They also prepare reports for the Director and make recommendations on policy regulations and procedures for greater efficiency in accounting and budgetary activities.

4. Inspection Division

This Division is responsible for the conduct of inspections in the United States and foreign countries of all installations, including OC and OSC. They make annual general inspections and such special inspections as may be directed by the Director. During the reorganization of OCD, the Inspection Division was assigned the function of determining timeliness and quality of CIA output. Col. Edwards states that due to his request, this function has now been reassigned to ICAPS.

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Proposed Clearance Branch

By 1 August 1948, there will be organized and operating within CIA a branch set up to handle complete CIA security clearances. [redacted]

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[redacted] It will be necessary to set up a small administrative staff in I & S and the whole branch, including investigators, clerical and administrative personnel, will total about [redacted]. This is in addition to the present I & S personnel figure of [redacted] mentioned in the first paragraph. It is hoped that they will be able to handle [redacted] clearances a month, and that by October of this year, the time for a single clearance will be reduced to between five and six weeks. Col. Edwards estimates that on a yearly basis, clearances will amount to around [redacted]. There is in the file for I & S a more detailed memorandum on this matter.

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Criticisms

The functions of I & S are primarily routine and, therefore, one hears little comment. There is, however, one universal criticism in regard to the delay in security clearances. Until 1 January 1948, these clearances were handled by the FBI and were taking, during the later months, approximately 14 weeks. In October, 1947, the FBI stated that they could no longer handle CIA clearances and an eventual deadline was set for 1 January 1948. The reason for this termination was the claim of FBI that their workload had been materially increased by Government loyalty checks, ECA clearances, etc. No attempt was made by CIA until after the first of this year to set up their own clearance organization, and this unfortunate delay has resulted in the practical stalling of the processing of recruits. I am told that the Director was in hopes that Mr. Hoover would reconsider the FBI position in relation to clearances and was therefore reluctant, at an early date, to initiate steps to set up his own clearance branch. During the interim period, there has been an attempt by CSO to aid in clearances but this has been most unsatisfactory.

Questions That May Require Further Study

1. Security clearances as mentioned in the previous paragraph. I am in some doubt as to whether it will be possible to persuade FBI to once more take on CIA clearances and at this late date with a CIA Clearance Branch well on its way to being established, it might be impractical. However, I do feel that a CIA clearance should be on a much higher priority level than Government loyalty checks. Undoubtedly, FBI is better equipped to handle such clearances, and the creation of the CIA branch is a costly duplication. (I am advised by Col. Edwards that the cost of a full clearance under CIA will be approximately \$200 as compared with \$100 paid to the FBI). In consideration of this duplication and expense involved, the clearance question, even at this late date, might warrant some thought.

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2. Consideration might be given to the creation of some designation as a cover name for all of CIA. At the present time, all CIA buildings are known as such. There are signs in some corridors with arrows marked "CIA" and pointing to CIA offices. All personnel are allowed to say that they work for CIA. [redacted]

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[redacted] With an established organization as large as CIA, it might be difficult to provide any cover designation, and the contention of I & S is that with such an agency, created by statute, it is preferable to operate under its real designation. However, the question of security for OSO and its personnel arises, from the point of view of recruiting and inspection and general contact with other units and personnel in CIA. Do prospects for covert operations visit CIA offices? Are they recruited by Personnel Branch? Can they be in any way connected with CIA? During the survey of OSO the security question might be investigated.

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21 June 1948

MEMORANDUM FOR FILE

SUBJECT: The Office of Collection and Dissemination

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1. The Office of Collection and Dissemination (OCD) performs for CIA the internal service of handling requirements, collection and dissemination; maintaining a reference library; creating and maintaining various indices and registers. It is also called upon to perform common services. Under the broad coordinating function generally assigned to CIA under NSCID No. 1 and [] OCD accepts requirements from outside agencies and supervises the collection and dissemination of the required information. Under NSCID No. 8, CIA is given the "primary responsibility for the maintenance of biographical data on foreign scientific and technological personalities." This, needless to say, is a common service. OCD also performs common services through its library, foreign industrial register, reading center, etc. Although OCD is charged with certain duties in relation to coordinating collection of intelligence, no outside agency is prohibited from direct liaison with one or more agencies outside of CIA in regard to collection and dissemination.

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2. OCD performs functions vital to operations of CIA, both internally and externally, but its history has been varied and unsatisfactory. Since inception, it has been constantly criticized by other Offices within CIA and by agencies outside of CIA. Due to this rising tide of criticism, Management Branch made a survey of the Office some months ago with the result that, upon [] retirement in May, OCD was merged with Reference Center under the Executive for Administration and Management. This lasted several weeks and then the combined Reference Center - OCD was reconstituted on the Office level as the Office of Collection and Dissemination.

3. The original OCD, with some [] included three Branches, i. e., Requirements Branch, Collection Branch and Dissemination Branch.

Functions included:

(a) Formulation of policies and procedures relating to collection and dissemination of intelligence and implementing procedures established in accordance with NIA policy.

(b) Continual surveys and contacts among federal agencies to ascertain what intelligence they need but cannot supply from their own sources.

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(c) Determination of the collection and dissemination requirements for intelligence to meet needs not currently satisfied.

(d) Determination of whether collection and dissemination accomplished by CIA action has been adequate and timely.

(e) Reception, coordination and processing of all requirements for intelligence.

(f) Issuance of necessary collection directives.

(g) Analysing collection capabilities of governmental and CIA reporting services.

(h) Reception and review for dissemination of all intelligence received in, or prepared by, CIA.

(i) Preparation of drafts of dissemination orders.

(j) Maintenance of a reading center.

New OCD

1. The new OCD is attempting to streamline procedure. Much of the paper work and analysis, surveying and planning, have been eliminated. ICAPS has assumed the function of determining adequacy and timeliness of production and many of the functions of the old Requirements Branch have passed to ORE. OCD still must develop new sources for collection, it still must determine policy in relation to constantly arising questions, but its main aim is to expedite collection and dissemination.

2. OCD does not determine priorities. On requirements necessitating field collection it accepts and passes on the priority established by the requesting agency. This would appear to be the best solution as OCD is not qualified to determine priorities between ORE, State and the Services. Moreover, a field collection unit rarely receives simultaneously two or more collection directives with the same priority.

3. Under the present plan, OCD (combined OCD-Reference Center) will employ some [redacted] and consist of the following seven divisions:

(a) Central Index
[redacted]

(c) Foreign Industrial Register

(d) Biographical Register

(e) Graphic Materials Division

(f) Library Division

(g) Liaison Division (Old O.D.)

4. Dr. James M. Andrews, former Chief of Reference Center, is Assistant Director, Office of Collection and Dissemination. Andrews is a professional anthropologist and was Dr. Hooten's assistant at Harvard, before joining CIA.

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He is having a difficult and confusing time in combining OCD and Reference Center. I am glad to say that his main idea is to cut red tape. He drives himself hard, is unquestionably able, open to reason and suggestion, and I believe will do a good job with OCD.

5. [] is Deputy Assistant Director. [] old, is a graduate of West Point and a regular Air Force officer with a good record. He was Chief of the Collection Branch of the old OCD and is, therefore, well acquainted with past troubles and future hopes. Think he should work well with Andrews.

Central Index

This is a reference index of all library and graphic material held by CIA. It is the intention to also build up an index of such materials held outside of CIA in Washington and other parts of the country.

Foreign Industrial Register

Will include as much information as possible on foreign industry, transportation systems, minerals, petroleum, etc.

Graphic Materials Division

Will be the custodian of all graphic materials such as maps, photographs, etc. It will also include an index where such materials not held by CIA can be obtained.

Library Division

This Division will perform a general library function. It will have physical possession of more than 4,000 reference works and will also have on hand files of all CIA product and also material derived from other agencies.

Maison Division

1. The Requirements Branch (the old OC) has been virtually eliminated, and its remaining functions are vested in the person of

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25X1 [] who is the Chief of the Liaison Division. All requirements received by OCD are processed by [] If they are purely documentary in nature, they will be handled directly by the Library Division or one of the registers. Dr. Andrews estimates that approximately 50 per cent of the requests to OCD are of a documentary nature. Virtually every other request coming into OCD is scanned by [] and then submitted to ORE where it is passed to the various Regional and other branches. There is an agreement whereby they will not delete or change in any way the original request, but they are at liberty to add additional requirements of their own. This having been done, the original request goes back to [] and an official collective directive is issued. 25X1

2. The Collection and Dissemination Branches of the OCD have been totally eliminated and their functions concentrated in four desks, namely, State Desk, Army-Air Desk, Navy-Non-IAC Desk and CIA Desk. Each of these Desks has one or more readers who, to a great extent, perform the functions of the old Dissemination Branch. The Desks also include a liaison officer with an assistant who, in addition to performing normal liaison duties with the Services or State Department, will also take over the functions of the old Collection Branch.

3. A request from Army would be processed somewhat as follows. The request would be received on a special form which has been supplied to ORE, the Services and State Department. This form would incorporate the information requested and the priority, deadline, any previous coordination and suggestions for possible source. The request is first scanned by Mr. [] Chief of Liaison Division, who determines whether the request is purely documentary or necessitates field action. If the request is purely documentary or can be satisfied by material held in Reference Center, it is handled as a simple library function. If the request necessitates field action, it is passed to ORE for any additional requirements that they may want to add and for possible coordination on a working level. The request is then returned to [] who sends it to the appropriate desk and suggests sources for collection. The desk then writes the collection directive showing the requestor, the nature of the request, other agencies receiving a collection directive, the priority, and the deadline. A file is then opened and as reports from the field are received, they are checked by the disseminator on the desk and entered. When the material is complete, the disseminator and the Chief of the desk check it, close the file, and pass it to [] who checks the completed material. It is then disseminated to the original requestor and any other interested agencies. If the request is urgent, material is forwarded to the requestor as received by OCD without waiting for the completion of the file. Reports go to the requestor in their original form and are in no way edited by OCD. In dealing with requests necessitating field collection, OCD claim that they use great care in not sending CDs to collectors who will be unable to supply the information.

Criticisms

25X1 1. Delays in processing requirements. [] claims that one requirement from Air Force took nearly a month to be cleared through OCD. There seems to be a general feeling that OCD was completely bogged down in paper work

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and analysis. There had been sufficient criticism so that they were on the defensive, and on every request checked, double checked, and analyzed to prevent any possibility of error. This was a very careful procedure, but militated against any request or collection directive being processed in a reasonable amount of time. Under the old OGD, in the case of a purely documentary request, various steps entailed examination of the request by the three Branches, an analysis of the request itself, an analysis of the manner in which OGD accomplished its mission in relation to the request and five or six different forms with innumerable copies. Under the new OGD, the documentary request will be simply a library function with no trouble or delay involved. OGD is also attempting to expedite dissemination and field collection through elimination of red tape, complex procedures and paper work.

2. Delays in dissemination. The old Dissemination Branch, according to Dr. Andrews, used to read in detail all of the 600 to 1000 documents received daily. They are at present trying to speed up this process and will in all probability scan documents quickly and not read them at length. A Reading Panel is being set up in which they hope to have permanent full-time representatives from the Services and State Department. These readers will scan all incoming information and determine what items their parent Service would be interested in. At present, reading centers are maintained by the Services and State, but it is hoped that the main Reading Panel will operate at the CIA Reading Center. There will always be duplications of Reading Panels, however, unless all material put out by the Services and State is disseminated to CIA. If CIA received all such material, a full-time Reading Panel at CIA would obviate the necessity of the present Reading Panels at State and the Services. Morale in the old Dissemination Branch was very bad. This increased the delay in dissemination.

3. Poor dissemination. There has been much criticism of the ability of OGD to determine proper dissemination. [redacted] of the Scientific Branch, ORE, has stated that he does not receive nearly all of the scientific information disseminated. Out of 700 reports received in one month [redacted] approximately 300 did not reach Army and nearly 200 did not reach Air. This brings up the qualifications of OGD to determine dissemination. The Office will from now on, however, ask collecting units to suggest their own dissemination.

4. It has been said that OGD is a "bottleneck and performs no useful function." The first part of this statement was unquestionably true, and it remains to be seen whether it will be equally true in the new OGD. No processing unit, however, processes a document as fast as the originator or the eventual recipient deems necessary. OGD, can, however, perform a "useful function." Some unit must physically collect and disseminate and a good case can be made out for this unit to be a part of (or in close touch with) the depository for reference works, intelligence files and card indices (Reference Center). Requests and requirements must be screened, but there is more to accurate collection and dissemination than the physical shuffling of papers.

5. It has been mentioned several times that effective personal contacts are hindered by the OGD function of arranging conferences. Under the old system, if Scientific Branch, ORE, desired a meeting with Air Technical Intelligence, it would be arranged by OGD and one of OGD's representatives would preside. This is now out, and the new OGD prefers close contact on all working levels, without OGD knowledge or interference.

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6. Military incompetence in OCD has been criticized. The Assistant Director and the Executive Assistant Director of the new OCD are civilians and, I believe, that this will furnish the answer to such criticism.

Conclusions

1. That the old OCD failed in the performance of its mission, thereby creating delay and confusion, and was instrumental in preventing CIA from functioning in a timely and efficient manner.

2. That important duties were vested in OCD and that reorganization was necessary for the proper performance of these duties.

3. That the coordinating authority and functions of OCD are not clearly delineated.

4. That present top personnel are attempting to make OCD a service and not a "bottleneck."

5. That no judgment of the new OCD is as yet possible, although it may be assumed that a serious attempt is being made to correct former faults; that a period of trial and error must be expected before it can emerge in final form; that close scrutiny and able direction and advice must be given OCD during this period of crystallization.

Questions

1. Is it proper to combine in one unit library and card index functions with those of physical collection and dissemination?

2. Is it proper to add to the above the more operational functions of determining requirements and coordinating interdepartmental collection?

3. What qualifications has OCD for determining the best methods of, and the sources for, collection?

4. Is proper dissemination assured under the present system?

5. Should the system of reading centers and reading panels be reviewed? Would it be possible to have one combined reading center at CIA through which would pass all material from IAC members?

6. Is the present method of determination of priorities by the various agencies proper?

7. Although there is no prohibition against direct contact between departmental agencies for collection, should a copy of all requests be received by OCD for more complete coordination? (This would not obligate agencies to pass requests through OCD).

8. Under NSCIB No. 2, paragraph 1, the State Department and the

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Services are allocated responsibilities for collection abroad and under NSCIS No. 3, paragraph 3, there is set forth for State Department and the Services a delineation of dominant interests. Should CIA (and, more specifically, OGC) constantly watch collection within fields of dominant interest for the purpose of eliminating duplication and assuring true coordination?

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Next 8 Page(s) In Document Exempt

14 July 1948

MEMORANDUM FOR FILE

SUBJECT: Observations on the Pearl Harbor Report

The Joint Congressional Committee which undertook the definitive investigation of the Pearl Harbor disaster of 1941 made a most careful study of the intelligence information available in Hawaii and in Washington prior to the Japanese attack, and reached a number of conclusions as to the adequacy of the information, its interpretation, and the administrative action based upon it. The Committee's study was primarily of the substance of the intelligence. However, judging from what the intelligence showed, who in fact received it and what instructions or decisions were formulated as a consequence. The Committee made certain recommendations as to the handling of intelligence. It has not, however, attempted to review the crisis with a view to deciding whether the intelligence technique displayed by the government and the military authorities in Hawaii was either necessarily adequate or fully developed, or to compare it with other systems of intelligence handling which might have given better results. Its approach has thus been essentially substantive, so that for the purposes of the Intelligence Survey it has seemed desirable to consider the handling of Pearl Harbor intelligence as a problem in itself. This note is thus an attempt to determine what materials were available, what methods were used in bringing them together, who reviewed them, and with what especial purpose in mind. Since the Japanese attack was the culmination of the most significant political-military crisis of recent U. S. history, the conclusions which may be reached may have bearing upon the handling of intelligence by the American government in future time of international crisis.

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We shall consider first the intelligence materials which were available. These fall into six categories:

(a) Diplomatic intercepts. This was the single most significant source of information which figured in the crisis. It included some hundreds of messages, some of them of considerable length, and represented the correspondence of the Japanese government with its diplomatic and military representatives abroad during the entire period of the growing crisis of 1941 and earlier. It included the vitally important exchanges between the Japanese government and its ambassadors in Washington, as well as communications between Tokyo and other strategically placed diplomats in East Asia and Europe, particularly Germany. Altogether, it provided a broad and continuous picture of the development of Japanese official thinking during the negotiations with the U. S. Probably few governments in history, engaged in protracted and intricate negotiations with a major foreign power, have had such complete access to the secrets of its antagonist as occurred during these negotiations.

(b) Espionage intercepts. This material is in the same category as the diplomatic intercept material, but was less voluminous and less significant in terms of foreign policy. It comprised for the most part correspondence between the Japanese government and consular agents on the West Coast of the U. S., in Mexico and Central America, and in Hawaii who were conducting local espionage operations. Since the operations themselves were not notably successful, in Hawaii as elsewhere, the intercepts were of limited importance. At least one decisive item of intelligence, however, the so-called "bomb-plot" message, was derived from this traffic.

(c) Ground source information. Only one item obtained from actual observation on the scene figures largely in the Pearl Harbor crisis. This was the report obtained through G-2 of the movement of Japanese troop transports from Shanghai southward. (p.).

(d) U. S. Diplomatic reports. These include the regular diplomatic correspondence of the State Department with U. S. missions abroad, particular with the U. S. Embassy in Tokyo.

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(f) Action reports. On the morning of December 7 the Navy made contacts with Japanese submarines off Pearl Harbor, and eventually sank one such ship before the enemy air attack occurred. Similarly, the Army radar listening post detected the approach of Japanese planes more than an hour before they struck. Only imperfectly available to the commanders on the scene, none of these data were known in Washington prior to the attack.

How were the intelligence materials from these various sources assembled, and to whom were they available? The [] and the December 7 action and enemy movement reports, at the outset, were not available in Washington at all, and not in an effective way to the commanders on the scene. The ground source information on the movement of Japanese convoys was available to G-2, War Department, and was circulated to ONI and the State Department, as well as to the highest levels of the government. The most single striking thing about

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the receipt of intelligence prior to Pearl Harbor, however, is that the remaining intelligence materials, and most notably the vital intercept traffic, both diplomatic and espionage, was available only to a singularly small group of the top policy authorities of the nation: to President Roosevelt, Secretaries Hull, Stimson and Knox, Generals Marshall, Gerow and Miles; Admirals Stark, Turner, Wilkinson, Noyes, Schuirmann; Col. Bratton; Capts. Kramer and Safford and Commander McCollum. The State Department's reports from its missions abroad were also furnished to the President and the secretaries either in draft form or as reported verbally by Secretary Hull. Virtually none of the intelligence and particularly not the diplomatic intercept material, was circulated any more widely among the intelligence agencies of the services, or in the State Department.

One of the subsequent criticisms made of Pearl Harbor intelligence, and one which is discussed in the Report (p. 228 et seq.), is the delay in translating some of the Japanese intercepts. Certain of these, which in retrospect at least bore strongly upon the projected attack on Hawaii, were not available for hours or days after the Japanese struck. This represents some deficiency in the cryptographic and translating branches of the Army and Navy (although the Report specifically praises (p. 231) both of these units), but has little bearing on how the intelligence available before the attack was handled. It is another of the fascinating "might have beens" of the time, and does not alter conclusions on how intercept information was distributed, and who took responsibility for analyzing and evaluating its broad meaning.

It should also be noted that the Japanese officials of the Foreign Office who were conducting the negotiations with the United States were in all

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probability aware of the plan for the attack by the Imperial Navy and also aware of its intended target. The espionage messages were also inspired by authorities of the Japanese Navy who were presumably aware of the nature of the intended blow. This fact seems to rule out the Impossibility of divining the Japanese intentions at some point by studying their messages. Certainly in retrospect—although hindsight is notoriously more exact than foresight—it seems clear that the information prior to December 7 was adequate upon which to prepare an intelligence estimate pointing out the extreme gravity of the situation and suggesting the possible means by which the Japanese might attempt to resolve it.

Two things are especially important about the handling of information prior to the attack. First, the intercepts and US diplomatic correspondence were circulated to the President and the Secretaries as "raw" intelligence. Until early in November the President had been receiving briefs of the Japanese messages; afterwards he received the complete drafts, as did the other officials mentioned above who were intimately involved in the crisis. These drafts were in almost precisely the form in which they were sent by the Japanese Foreign Office and diplomatic officials. The American military and naval interception agencies (Signal Intelligence Service and Op-20-G) were strictly technical, with networks of radio listening posts, cryptanalytic specialists, translators, etc., but without intelligence analysts. Intercepted messages were thus occasionally distributed under the rubric "an interesting message," but no effort was made by SIS or Op-20-G to bring them together, analyze them as to content and meaning, and make an estimate of their implications before sending them on to the topmost authorities of the government. This was not by reason of oversight, but because these agencies were not expected to perform more than technical services.

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Second, the material thus obtained was not made available to any group of intelligence analysts anywhere else in the service departments or the State Department for study over a period of time and in the light of all other information reaching the government which might have had an indirect bearing upon Japanese-American relations and their military implications. The generals and admirals and senior State Department officials who had access to this material were not analysts in this sense, and habitually discharged senior administrative rather than substantive intelligence responsibilities in their normal capacities. Not only were they busy and distracted people, but they were not intelligence analysts either by assignment or training.

So far as the Report of the Joint Committee states, there were few estimates of the situation prepared by the departments most involved. Only three are mentioned: On November 27, Secretary Hull and Undersecretary Welles had on their desks a report by Dr. Stanley K. Hornbeck, political adviser to the Secretary, entitled "Problem of Far Eastern Relations—Estimate of Situation and certain probabilities," in which Hornbeck expressed the egregious opinion that he did not believe the U. S. was "on the immediate verge of 'war' in the Pacific" (Report, p. 393). On November 25 G-2 provided Secretary Stimson with a summary of the available information regarding Japanese military and naval movements in the Far East (p. 394). It does not appear to have been an estimate in the strict sense, but Stimson carried it to the President and suggested that it be read to the War Council. On December 1, Commander McGallum of ONI prepared a memorandum outlining the critical situation in the Far East (p. 207), but this study figured only as it provided the background for a later suggested message to the Commander in Chief of the Fleet of December 4 which was not sent, but which is

surrounded in retrospect by much fruitless but compelling speculation as to its results had it been dispatched. Actually, it is difficult to assess the roles played by these studies and estimates, but since they are barely mentioned in the Report, and since throughout its discussion, emphasis is placed almost solely upon the information supplied by intercepts and evaluated by the President and the Secretaries, particularly Mr. Hull, it seems probable that they were not considered especially important, particularly in a situation changing almost hourly. They were not, it should be noted, "coordinated" estimates, but were prepared in each department upon the basis of its own understanding of the situation. There is no record of any attempt to form a joint Army-Navy view or estimate, or to assemble an explicit, coordinated interdepartmental estimate at any level below the secretaries or the Chief of Staff and CNO personally.

A major factor which prevented the study of intelligence materials at a lower level in the departments was the extreme security precautions which surrounded the Japanese intercept intelligence. Thus, in ONI, it was available only to the Director, Adm. Wilkinson, and to Comdr. McCollum, head of the Far Eastern Branch. Neither was on the "working level," neither prepared studies or estimates personally as a normal thing, and neither was in a position to give undivided attention to the development of the crisis. Officers in the Army and Navy at this level, moreover, were fully conscious that their superiors and the heads of the government were taking the most active and personal interest in the problems raised, and may have been reluctant for this reason to present their views without solicitation in advance. They were also concerned primarily with military and naval policy rather than with national policy.

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Actually, the final and crucial intelligence evaluation was done by the heads of the government; the President, the Secretaries of State, War and Navy, the Chief of Staff and the Chief of Naval Operations. These individuals worked without outside consultation except with each other, and, as indicated, security considerations were such that no one outside of this group had sufficient information available to him upon which to base a judgment or estimate the Navy's which might have been helpful to the makers of policy. ONI, indeed, had surrendered its evaluation function to War Plans Division. These individuals at no point sought the production of any "national estimate" from anyone outside themselves, and there is no intimation that need for this crossed their minds, at least before December 7. They felt themselves responsible, and considered that no one could be more competent than they to see the situation in its broadest aspects; and so combined in themselves the functions of intelligence estimation and policy decision.

The Report of the Joint Committee recommends (on page 253) "That there be a complete integration of Army and Navy intelligence agencies in order to avoid the pitfalls of divided responsibility. . .; and that officers be selected for intelligence work who possess the background, etc., for such work. . . ." However valid this conclusion may be, it does not follow directly from the role played by departmental intelligence in the Pearl Harbor crisis. These agencies, except for their topmost members, placed well above the level where useful intelligence analysis is supposed to be done, were not involved at all. It is very possibly true that neither G-2 nor ONI had available the intelligence officers of the caliber required to deal adequately with the information which might have been made available to them. This may have been a practical reason for

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withholding it from the particular officers then at work in the two agencies. Yet assuming that intelligence analysis is an art and a science, and that able and intelligent persons can be trained to perform it in a more effective manner than persons without such training, this argument is only practically and not generically sound. If there was a reason for having regional intelligence organizations in the military departments and the State Department (not there called an "intelligence" unit), there was even greater reason for allowing their members to review in detail the only significant information bearing upon a preeminently threatening situation.

Assuming it to be true that the heads of the government acted as their own intelligence analysts during the crisis, was there any reason in principle why they should exclude the established analytical agencies at their disposal? There may seem to have been an element of perverseness on their part in this almost conscious divorcement from facilities which might have stood them in good stead, and the implicit assumption seems only too evident that if they had relaxed their overwhelming security precautions and had attempted to share the intelligence problem of the Japanese crisis with more trained individuals, the result might have been different. This can only be presumed, however; and certainly there can be no demonstration beyond doubt that the results would necessarily have been different had intelligence analysis occurred in depth, and had a succession of "national estimates" of the developing situation been laid on President Roosevelt's desk each morning.

There is a further element, however. Considering the nature of the crisis, and of their responsibility in it, could the President, the Secretaries, the Cofs and CNO have been expected to rely upon the estimates of departmental or of

an "impartial" central agency in a matter which went to the very heart of their responsibilities to the nation? Perhaps they could not rely upon them to the extent of letting such agencies present interpretations to be followed implicitly. But could they depend upon them to any significant degree at all? Does the nature of such an upheaval allow that more than one agency can share the responsibility for analysis? Could any agency, no matter how well staffed, no matter how well provided with written reports (but excluded from the conversations of those responsible for policy), provide estimates which would add to the understanding of the problem by the senior executives? Is perhaps the character of national crisis such that in its shaping and existence there is room only for those in control of policy to "know everything" and to judge action in the light of this knowledge? May there not be an inevitable tendency in such times for the persons ultimately responsible to place themselves in the line of receiving all factual information, from which they draw their own conclusions in the light of their understanding of national aspirations and ideals? If this is the case, it suggests that no "impartial" estimating group, not in the chain of command, and not occupying by the nature of its statutory or constitutional basis an explicit responsibility for national policy, can expect to receive the information adequate for the formation of inclusive and judicious estimate which could exert influence upon the President and his cabinet officials. Certainly the experience of 1941 shows that all intelligence estimating capabilities of the government were in fact disregarded by the heads of the state. The experience there, moreover, suggests that their failure to share the burden of estimating the implications of the available information goes beyond the mere limitations of security and assumes the form of an inevitable characteristic of policy formation on the highest level in time of

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extreme crisis. The policy authorities alone share the "broad view" and have "all the information"; theirs alone is the heavy responsibility for national policy; theirs, as a result, is the function of intelligence estimation.

In the light of the foregoing discussion, it is possible to make some general observations which may have bearing on the present handling of intelligence within the government:

(a) Intelligence evaluation, as such, at the time of Pearl Harbor, was almost exclusively a function of the policy authorities on the highest level. The same has been true of crises in 1948, when the policy authorities have been their own estimators, basing their conclusions on perusal of more or less raw intelligence.

(b) There would have been, in the nature of things, little reliance upon a Central Intelligence Agency of the sort that now exists had it been functioning in 1941. Similarly, there has been little reliance on CIA, except for the potential contribution of SO, in recent crises.

(c) The concept of intelligence evaluation and estimation by an "impartial" agency which "sees everything" may not be valid, for the reasons that it cannot, in the nature of the case, "see everything" promptly, and its removal from policy responsibility in the time of crisis makes its views academic to those who are responsible.

(d) A central agency may perhaps serve better in such times through its "Common services" than through its estimating function. The raw intelligence which SO may provide can be of the highest importance, irrespective of whether or not an estimating staff also exists.

* * * * *

There is some further evidence in the crises of this year to support the

view that intelligence estimation is effectively performed only by the responsible policy authorities. In the Berlin difficulty of the present moment the essential policy decisions have been in the hands of State and service departmental chiefs, with the President being kept informed for his information and concurrence. Those most concerned have been Secretary Forrestal, Undersecretary Lovett, the War, Navy and Air secretaries, their chiefs of staffs, and their staff chief intelligence officers. CIA has appeared only to the extent of digesting certain State Department communications in its Daily; in commenting upon the situation in its Weekly (without noticeable effect on policy); in circulating certain "raw" reports secured by SO; and in producing, as of several weeks before the development of the emergency, a rather generalized discussion upon the considerations involved in maintaining our stake in the German capital. As of the present moment, when the matter is most vexed, our policy seems to depend to a large extent upon a single basic estimate: that the Russians are not prepared for war, and will not fight merely to throw us out of Berlin. But this judgment, for all that is evident in the output of CIA, appears to have been achieved independently of it or its estimators. The overall estimates of Russian intentions appear to have been formulated in the State Department, and to have been accepted by the military agencies. It is entirely clear that CIA does not even receive certain of the basic correspondence in which our policy is discussed between Washington and Germany.

It may again be true, as it was at the time of Pearl Harbor, that the policy authorities of the government do not place sufficient reliance in the existing estimating agency—CIA—to provide it with all possible information, and to await its views as having a significant bearing upon their decisions. As in 1941 this may be in part because of security considerations; but in the almost automatic

handling of the crisis by the policy authorities concerned, both as to interpretation of raw intelligence and as to decision on American policy, one sees evidence that impartial intelligence estimation, by an agency not responsible for policy, has more effective existence in theory than in fact.

In an effective way, the same seems to have applied to other major events of the year involving American security. CIA's contribution in the alienation of Yugoslavia from the Soviet sphere has been in terms of paraphrases of State Department items in the Daily Summary, not commented upon with an overabundance of insight; similar digests of available information in Weekly Summaries; and the admission that all official information from Yugoslavia has come from the State Department, since no SO reports have been received. Insofar as American policy with respect to Yugoslavia has been concerned, CIA has filled the role of spectator rather than participant.

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MEMORANDUM

SUBJECT: Scientific Intelligence

There are certain peculiarities which affect the field of Scientific intelligence and the position which it occupies in relation to other forms of intelligence. In the first place, there is the absence of an agreed understanding of what is involved in "scientific intelligence", including the question of whether it is concerned primarily with "pure science" or "applied science". There is also the fact that scientific intelligence is of general interest to the entire scientific world and does not affect only the national security. This is unlike the field of military intelligence, for example, which is almost exclusively of interest to professional military people. One aspect of this situation is that in science many of the most competent personnel are outside of Government service and certainly outside of service in the national security agencies. The problem of putting them to effective use for scientific intelligence purposes affecting the national security creates, in consequence, difficulties over the proper security precautions which need be observed and the relations between the scientists and the military. There are also certain questions as to whether the primary interests and loyalties of the scientists rest with their profession and with the desire thereof to increase the general fund of scientific knowledge or with scientific intelligence, its special needs and its security requirements.

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Because science contributes to almost all phases of the mobilization and war capabilities of a nation and to its offensive and defensive power, interest in scientific intelligence is scattered in many places. The various Armed Services, holding it to be their proper responsibility to attack and defend with their respective arms, feel that they do not have an identical interest in scientific intelligence, but that each has an interest corresponding to the offensive or defensive missions of the particular Service. As a result of this and of the fact that interest in scientific matters is so widely scattered throughout the Government and outside, there has been little progress in developing a central organization for scientific intelligence or in defining the respective spheres of the different Services or the interests which they have in common.

Finally, there is a peculiar situation today in which, for practical purposes, an artificial distinction exists between "nuclear" and "non-nuclear" science. A variety of legislative and historical considerations have contributed to this distinction, which obviously has no validity but, as a practical fact, it cannot be ignored in organizing and developing scientific intelligence.

Scientific intelligence, as it affects the national security, is handled in a number of different places. There is no clear-cut delineation of functions or responsibilities, and there is no effective machinery for coordination, except in limited respects. The agencies concerned as producers and consumers include the State Department,

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Army, Navy, Air Force, Atomic Energy Commission, Research and Development Board, Central Intelligence Agency, Joint Chiefs of Staff and the Armed Forces Special Weapons Project. This list, of course, does not include the non-military agencies, such as the Department of Agriculture, the Bureau of Standards, Weather Bureau, and National Security Resources Board, all of which have a real interest in this problem as well as a contribution to make. For present purposes, we can limit ourselves to the agencies which are primarily concerned with scientific intelligence as it affects the national security, although we must assure ourselves that these agencies are drawing assistance from other sources.

The Collection of scientific intelligence is carried on by a number of agencies operating in the United States and abroad. The National Security Council Intelligence Directive No. 2, dealing with collection, does not assign the dominant interest for scientific intelligence to any department, but prescribes that each agency will collect scientific (as well as economic and technological) intelligence "in accordance with its respective needs". As a result, the Army, Navy, Air Force, and State Department are all, to the extent that they individually choose, collectors of scientific intelligence. In addition, CIA collects scientific intelligence on behalf of all of the agencies through the Office of Special Operations

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The collection procedures, the assignment of requirements, and the determination of priorities are not made in accordance with any over-all plan centrally controlled and coordinated. Each collecting agency gives the assignments it wishes to its own collectors, although it may receive and handle requests from other agencies. In cases where a collection request is sent to CIA, the Office of Collection and Dissemination attempts to canvass the collection possibilities throughout the Government and to see to it that the collection request is sent to all collection agencies inside and outside CIA which might be in a position to make a contribution. However, the Office of Collection and Dissemination is able to act only with respect to those collection requests that come into CIA from the outside or which are passed from one part of CIA to another. There is no coordinated procedure with respect to the whole field or individual parts thereof (except for atomic energy) whereby the experts in and consumers of scientific intelligence develop their collection requirements in close consultation with each other and with the collectors.

In the case of atomic energy intelligence there is the same multiplicity of collecting agencies (SO, CO, Army, Navy, Air, State,

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and the AEC), but the problem has been somewhat differently handled. Because of the concentration of responsibility for atomic energy intelligence in the Nuclear Energy Group of CIA, which has worked closely with the nuclear energy specialists of Army, Navy and Air, there has been a greater measure of coordination in this field of scientific collection than in the others. The chief collection difficulty has arisen between the Nuclear Energy Group and AEC, whose facilities have been used informally for collection, without all of these facilities having been placed at the disposal of the Nuclear Energy Group. It is to be hoped, however, that this situation will be remedied if other difficulties can be worked out and as a result of the association of Dr. Colby with the Atomic Energy Commission and his working together with the Nuclear Energy Group.

With certain exceptions governing the case of particularly sensitive materials such as atomic energy intelligence or communications intelligence, there seems to be fairly broad dissemination of all scientific intelligence received in Washington. The principal difficulties seem to arise out of the dissatisfaction of the expert consumers when they are not allowed to have access to information concerning the source of the intelligence they are called upon to use. Scientists who are called upon to evaluate highly specialized information claim that they cannot do their job properly unless they have full access to raw information and complete knowledge of sources. This problem has been particularly acute in the case of atomic energy and the present

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arrangement whereby Dr. Colby of the Atomic Energy Commission is to have full access to all source material is a recognition that the resolution of this dilemma hinges upon an agreement that the expert consumer needs to be satisfied as to the validity of the information handed to him. If this problem has not arisen so acutely for other fields of scientific intelligence, the only reason may be that there has been less activity in those fields. It may be that the same difficulties exist there and would become evident if the persons working in those fields had concerted and coordinated their efforts to an extent that caused them to become more conscious of the difficulties handicapping their work.

One further difficulty lies in the fact that not all available printed material can be put to effective use because of the language difficulty. The systematic study of foreign literature is hampered by a shortage of security-cleared personnel possessing the necessary language and other qualifications.

Except in the field of atomic energy intelligence where there is still room for improvement, there is no means for producing what might be considered national scientific intelligence estimates. In other words, although scientific intelligence is an object of concern to a number of individuals in different agencies, there is no recognized way of producing an agreed and authoritative estimate of a problem. Under National Security Council Directive No. 3, each agency is responsible for the production of scientific intelligence "in accordance with its respective needs". One would expect to find that Scientific

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25X1 Branch in CIA-ORE performed the function of drawing together and coordinating the production of scientific intelligence estimates. This has not happened. The reason may be the slowness of the Scientific Branch in forming its organization or it may rest in the conception that its Chief, [] has of its mission, being, as he is, more interested in science for science's sake than in scientific intelligence. Also, the Scientific Branch may be suffering from some of the same uncertainty that affects the entire ORE organization so that it is not clear whether ORE is just another producer of intelligence or has the responsibility for coordination the efforts of other agencies. The fact remains that there is no recognized method by which coordinated estimates, generally recognized as valid, are produced. The Research and Development Board, which obviously has a major interest in scientific intelligence, frequently complains, and with reason, of this deficiency.

25X1 In the Central Intelligence Agency, there are a number of different places where scientific intelligence is handled. On the collection side, the Office of Operations has a Scientific Specialist



panels of qualified and security-cleared consultants in various cities, so that the members of these panels can be called upon for assistance in tapping specialized sources of scientific intelligence and will at the same time keep their eyes open for this kind of intelligence .

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The Foreign Documents Branch of the Office of Operations has several translators who spend most of their time abstracting and translating foreign scientific documents on a routine basis and also in response to specific requests. In the Office of Special Operations, there is a Technical and Scientific Section [] with the task of assisting the geographic desks in the procurement and handling of scientific intelligence obtained through covert means. Also in the Office of Special Operations is the Nuclear Energy Group (Colonel [] which, in addition to performing this same function with respect to the special field of atomic energy intelligence, is also the principal central evaluating unit in the Government for atomic energy intelligence; thus, it advises and guides the collection of atomic energy intelligence and at the same time evaluates the product. Its proper place in CIA is really the ORR Scientific Branch and only peculiar and personal considerations have caused it to be put on OSO. In the Office of Reports and Estimates, the Scientific Branch [] [] has been very slow in getting started. The Branch does not yet have a recognized position either in CIA or in relation to the other groups interested in scientific intelligence. As originally conceived, at least in the minds of the Research and Development Board, which nominated [] to his present position, the Scientific Branch was to have been the central coordination point for scientific intelligence. This development has not yet occurred and in fact the Scientific Branch has done little toward itself producing or coordinating the production of scientific estimates. It has been working on individual questions

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that have been brought to its attention and it is not certain that it has a clear understanding of what is involved in scientific intelligence as compared to a general interest in scientific developments. It should also be noted that the work of the Scientific Branch in ORE seems to be quite unrelated to the work of the various regional branches, which comprise the main portion of ORE. Since the reorganization of the office of Collection and Dissemination, there is now in the Office of Reports and Estimates an individual whose task it is to coordinate the collection requirements of the ORE Branches (including the Scientific Branch) and those of outside agencies so that appropriate collection directives may be issued to OO and OSO. OCD is still responsible for coordinating collection requirements which are referred to outside agencies.

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The principal problem in the scientific intelligence field seems to be how to develop a coordinated effort which will make it possible--

- (a) To plan collection requirements and methods in coordination with the collectors.
- (b) To establish priorities.
- (c) To produce authoritative estimates which result from their concerted efforts.

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This concerting of efforts should also result in bring to light cases where there is a dangerous gap between the collectors and the consumers and where the analysts require information to which they are not given access.

Assuming that CIA continues to have the responsibility for the coordination of intelligence, it seems necessary that in the scientific field steps should be taken so that CIA understands and more effectively discharges that responsibility. In strengthening the scientific work of CIA it may be desirable to consider consolidating it in one place rather than leave it scattered, as at present.

It seems unnecessary at this time to press forward with any further inquiry of the atomic energy intelligence picture, although we should follow closely the way in which the new arrangements work out between the Atomic Energy Commission and CIA.

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I. General Description

The Office of Reports and Estimates (ORE) of the Central Intelligence Agency is one of three major branches which deals with the procurement, analysis, evaluation and dissemination of intelligence information. [REDACTED]

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[REDACTED] The Office of Reports and Estimates has the special function of receiving information from these two agencies of CIA (although not necessarily all of it in the case of OSO); of receiving in addition a far larger and weightier flow of information from the intelligence services of the Intelligence Advisory Committee (IAC) agencies, including the State Department, War Department, Navy Department, and Department of Air Force; and of gathering still other information from outside sources such as non-IAC agencies, the Library of Congress, and elsewhere; of reviewing and considering this mass of raw or nearly raw material; and of preparing from it a series of intelligence reports in different forms, the character of which is supposed to be "national intelligence required for national planning policy and operational decisions."

25X1 No other branch of CIA shares this reporting responsibility to any broad extent, although [REDACTED] disseminate information to the Director of CIA, and in raw form to departmental agencies. The senior personnel of ORE are generally agreed that insofar as CIA has the function of providing the top echelons of the federal government with considered intelligence reports and estimates, the unit within CIA which will perform this function is their own.

The Chief of ORE at the present time is Mr. Theodore Babbitt, aged 51, a former instructor in Romantic languages at Yale University, an assistant dean of freshmen there, and during the recent war, a colonel in the Army with duties of a liaison and attache nature in the Mediterranean area. Personally agreeable, he is not generally considered to have much force; and his appointment in CIA evidently stems from previous positions held in the Office of Intelligence Research (OIR) of the Department of State. His title is Assistant Director for Reports and Estimates.

25X1 Mr. Babbitt's deputy until May 1 was Capt. Arthur H. McCollum, USN, a naval intelligence officer of considerable experience, who remained in close touch with the Office of Naval Intelligence during his tenure in ORE. His successor is a [REDACTED] a recent graduate of the Navy War College who will begin his assignment in ORE soon after June 1.

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Under the Assistant Director and his Deputy are an Administrative Officer and a Plans and Policies Officer. Only one of them, the Plans and Policies Officer,

25X1 [] has responsibilities in fields which basically affect ORE's work with substantive intelligence.

The operating units of ORE, those which actually receive, study, and write estimates based on intelligence reports, are six regional branches and five consultant's panels. In addition, two branches, devoted respectively to map research and intelligence, and to scientific intelligence, operate as independent functional units within the ORE structure. These intelligence-producing branches and panels issue their completed reports through two channels: the Current Intelligence Group, which controls the form and manner in which intelligence is reported on a daily and weekly basis; and the Estimates Group, which operates the mechanism for publishing-- although not for writing-- staff intelligence, i.e., special reports on rather broad subjects detailed in some length. A third intelligence-producing channel is the Basic Intelligence Group, the chief responsibility of which is to produce a series of National Intelligence Surveys according to Joint Intelligence Committee priorities with the assistance of departmental intelligence agencies. The work of the Basic Intelligence Group is essentially that of coordinating departmental activities; and in this sense it differs substantially from Current and Estimates Group, which publish intelligence prepared within ORE itself.

Since the units of ORE just summarized comprise the "working" subdivisions of the Office, it is worthwhile to review their activities and relations in some detail before going on to consider their product. We shall consider the Regional Branches, the Consultant's Panels, and the Current and Estimates Groups in that order.

25X1 The six Regional Branches, in addition to being the most controversial entities in ORE, are probably its backbone. Each branch has responsibility for intelligence estimates effecting a designated geographical region: Western Europe, including Austria and Czechoslovakia; Eastern Europe/USSR; Near East and Africa; Far East;

[] covering all countries south of the Rio Grande. In these branches work the bulk of the ORE personnel; to them go most of the reports which ORE receives in the first instance, and almost all reports before being sent to file. They are the producers of the overwhelming quantity of intelligence issued by ORE; and on them in theory falls the basic responsibility for preparing the estimates "required for national planning policy and operational decisions." Since their responsibilities are great, since they have most of the personnel in ORE, and since they are jealous of their

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central functions, they figure largely in the internal controversies which distinguish a number of the working relationships in ORE. Individually, they may be described as follows:

a. Western European Branch: This is the target of a great quantity of internal criticism within ORE. It is held up by numerous people as the exemplification of most of what is wrong with ORE in terms of competent personnel, useful product, convenient working relations. Conversely, however, when one interviews the Branch Chief,

25X1 [redacted] and talks with his deputy,

25X1 [redacted] one receives an equally warm indictment of other branches and individuals in ORE. The Western European Branch appears to carry on a running battle with Current Group for reasons which will be described later; and is regularly out of step with Estimates Group. It is listed by several judges as the next to the poorest if not the poorest regional branch in ORE. Yet in conversation with [redacted] much stress is placed on the Branch's responsibility for estimates, and much criticism is expressed of other parts of ORE for preventing the publication of estimates, and for throttling attempts to make comments on intelligence items in current intelligence reports.

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25X1 b. Eastern European/USSE Branch: Until recently the chief of this branch was

[redacted] He was criticized for

25X1 "carrying all his intelligence in his head", and for measuring all events in the Soviet Union in terms of preformed judgements. His successor [redacted]

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25X1 [redacted] an old and experienced Army intelligence officer with much experience in the Far East and some first-hand acquaintance with Russia during the recent war. His branch personnel are said to be very weak, or at best spotty; and to be committed to a priori interpretations of Soviet intentions and capabilities. [redacted] is a member of a JIC committee on the Soviet Union, and so has contact with the higher levels of policy; he also is chairman of an informal committee on departmental intelligence officers responsible for Eastern Europe. Most recent estimates characterize this Branch as the poorest in ORE, although it is agreed that [redacted] has not yet had time to improve it.

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c. Near Eastern-Africa Branch: This is generally considered to be the best of the ORE regional branches. Its chief, [redacted] is a former naval intelligence officer who saw duty in the Near and Middle East after having visited and worked there as an archeologist. He has the respect of his ORE colleagues, and works very closely with the Near Eastern political desk of the State Department, while maintaining close relations at the same time with his opposite number in OIR, State. He considers his branch personnel to be of high quality, and is satisfied with his working relationships with Current Group and Estimates Group, although not wholly so with the Consultant's Panels or the Basic Intelligence Group.

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d. Far Eastern Branch: Its chief is [] a regular 25X1
naval officer with some ONI experience. The branch has been characterized as "fair"
25X1 in its personnel and output; I was not much impressed by [] but rather more so by 25X1
[] his deputy. The branch appears to have established normal liaison
relationships which are effective, and to follow in other respects the general pattern
of ORE working relationships. I have not heard particular criticism of the branch
from Current or Estimates Group or elsewhere, but have gained the impression that its
contribution is somewhat colorless and uninspired.

25X1 e. Northern Branch: Chief is [] a former university professor
(public administration) and civil servant, during the recent war an Army officer
assigned to London as assistant military attaché. He is methodical but rather
unimaginative, and the outside estimate of his branch is along the same lines. His
25X1 relations with Current Group are generally good, but Northern Branch has been criticized
for low productivity and for poor quality of staff intelligence. It is presumed that
[] recognizes the inadequate quality but feels unable to do anything about it.

f. Latin American Branch: Chief is [] a former school- 25X1
master who served during the war as a colonel and secretary-general of the Inter-
American Defense Board. His branch is held in generally good repute, although one
25X1 hears references to [] as "academic" and "pedestrian". He is a member
of a JIC committee on anti-sabotage, etc., defense of the Western Hemisphere, and
thus has some insight into high-level policy planning. Latin American Branch appears
to be fairly well staffed. It failed, of course, to give warning of the Bogata incident.

Despite their individual differences in staff, quality of intelligence output,
etc., the regional branches have numerous points of similarity in regard to operating
practices. For all of them, the main source of information is the State Department,
both cables and reports. This ranges from an estimated 60% of all material received
(Far Eastern Branch) to nearly 90%. Next most important source is military attaché
reports, which amount to from 10% to 15% of reports received. SO generally contributes
more than ONI, Navy, but quality is irregular and quantity limited. OO, for most
branches, is only starting to contribute, and some of them have received next to
nothing from it, but indicate that they expect it to become an important source in
the future. Air Intelligence, being still nascent, contributes virtually nothing to ORE.

All regional branches profess to have well-established liaison contacts with
departmental intelligence agencies, both for consultation and for providing concurrence
with finished papers. Intimacy of contact varies to some degree with agencies; OIR,
State, appears to be rather temperamental in dealing with ORE branches (and it is known
generally that OIR considers that ORE duplicates its own function in large measure).

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25X1 With some branches OIR has good relations (Eastern Europe, for example), and with others, rather more distant (Northern Branch). Army contacts are generally good, but not much used. Navy seems cordial, but has very little to offer. Air is eager but next to informationless. ORE Branches take a somewhat acid view of OSO security, which prevents them from entering the [] is housed; but all indicate 25X1 that they have good and cordial telephone relations with SO, and several (Near East, Western Europe) indicate that the SO men working on problems shared by ORE will visit 25X1 the [] on request for consultation. ORE personnel are inclined to resent 25X1 their exclusion from [] however.

25X1 Few of the branches see finished [] reports on their areas, 25X1 and those that are seen [] are out of date when received. They are described as very valuable, however.

The Branches spend varying amounts of time in preparing items from cable traffic for the Daily Summary of the Current Intelligence Group. Some estimate this as low as two to three hours' daily; from other sources it seems clear that some branches spent an inordinate amount of time each day on this work--all morning for several analysts, for example. Articles for the former Top Secret Weekly Report took an estimated six to twelve hours per week to prepare; no estimate has been received on time spent on the present Secret Weekly, but it is probably as much. The pervading difficulty of dealing with the Daily and Weekly Summaries so far as branches are concerned will be treated in connection with the Current Intelligence Group.

Staff Intelligence, i.e., the production of lengthy, rather thoughtful estimates and reports on given situations affecting regional Branches, is at present on an informal basis in ORE. This will be treated in detail in connection with the work of the Estimates Group, but it should be noted here that most projects for staff intelligence, unless requested by an outside agency such as NSC, are initiated by branch personnel, usually by the analyst assigned to a particular country. Papers thus prepared are reviewed and edited by the "branch editor" in those instances where such an officer exists (Near East, Western Europe, Eastern Europe have such editors), and forwarded to Estimates Group for further review, publication, and clearance. The Plans and Policies Group has not yet established a system of priorities on the subject-matter of such reports, a fact which has resulted in the production of staff intelligence which is out of date and occasionally irrelevant, and the failure to produce needed and relevant estimates.

The question of outside, top-level guidance in the production of intelligence estimates on important subjects is dealt with differently by the Branches. The best of them, notably Near Eastern, believe most strongly that ORE should have such guidance. The question seems less important to the Northern Branch and Latin American Branch; but is regarded affirmatively by the Near Eastern, Western European Branch, 25X1

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much criticized by its peers, insists that top-level guidance is imperative. Actually, at the present time, little such guidance is received: some branches have completed papers at NSC request (the question of liaison with NSC and JIC is a very vexed point with ORE), but for the most part intelligence production by the branches and panels proceeds in ignorance of the questions in the minds of the very national policy planners and the maker of "operational decisions" whom ORE is intended to serve.

All branches share personnel problems common to ORE: all are short of CAF personnel, all suffer from the extreme delays in security clearance which obstruct recruitment of new personnel.

In general, the branches tolerate the consultant's panels which exist alongside them in the ORE structure rather than uphold their special function. They are inclined to be critical of the editorial privileges taken by panels on their completed intelligence, and one of the basic questions of responsibility in ORE refers to the obligations of regional branches to accept the advice of consultant's panels and vice versa.

The branches take little or no responsibility for the coordination of intelligence activity among departmental agencies. They refer to the "concurrences" extracted from these agencies for ORE's staff intelligence reports, and point out that as now constituted they are not in a position to coordinate departmental intelligence production in their particular spheres except by means of mutual agreement. In some instances Branch personnel lament the inability of CIA to "compel" departmental action on common objectives, but others simply refuse the question. Similarly, ORE branches do not attempt to coordinate departmental intelligence collection requests, which are handled by OGD.

The branches do, however, at least appear to take seriously their ultimate responsibility for top-grade estimates of situations affecting U.S. security. Although one may sense a certain air of unreality considering the fact that ORE does not yet have all source material of the highest grade, and considering that ORE is divorced from close contact with policy planners, the responsible Branch officers unhesitatingly assert that the responsibility would be theirs within CIA in the eyes of the country and Congress in the event of, for example, a surprise attack in unexpected force.

The two special branches of ORE without regional cognizance are the Map Branch, which was taken over in toto from the State Department in 1947 in order to avoid its dissolution for lack of funds; and the Scientific Branch, which was started in ORE as a basic intelligence reporting unit assembling and evaluating information on foreign scientific developments. The Map Branch, headed by [] conducts map intelligence activities, receiving and collating all new information received in ORE on cartographic subjects; intelligence cartography, i.e., the drawing and printing of maps to show intelligence situations, such as boundary line questions, ethnic or industrial distribution in an area, etc.; and an extensive and unique map library, the resources of

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which are available to other map agencies in Washington, and which to a degree coordinates the map intelligence requirements of the government.

The Scientific Branch, the chief of which is [redacted]

[redacted] was intended to

prepare estimates and reports on scientific matters. Actually, it has had a scant staff (which is now growing, however), and has suffered from a basic inability on the part of [redacted] to fit himself into the intelligence field. He considers himself an RDB representative with ORE, and has resented what he considers diminution of his authority in a number of respects involving RDB. He has lost control of the Nuclear Energy Group formerly in ORE and now in OSO, and has resented this. In addition, he has a basic concept of Scientific Intelligence which centers in serving the scientific profession rather than the information and security requirements of the government. This likewise has made his position difficult. So far as his outward relations are concerned, his branch functions much as does the consultant's panels of ORE, but to date has produced very little intelligence, and that of mediocre quality.

Next to the regional branches, the most numerous members of ORE are assigned to the consultant's panels. These units review intelligence reports from a functional point of view depending upon their particular interest. They vary in size and method of procedure. As indicated above, their particular relation to the regional branches is not precisely clear, a fact which gives rise to frequent difficulties. The Panels are as follows:

a. Global Survey: Strictly speaking, this is not a panel in the same sense that the others are. It comprises two individuals, Ludwell L. Montague and [redacted] both former colonels in the intelligence branch of the Army, and both with a background as teachers of history on the college level. They serve a dual function: as the authors and editors of the monthly "Review of the World Situation as it Relates to the Security of the United States"; and as mental prods and censors for the regional branches, other panels, and Current and Estimates Groups of ORE. Montague and [redacted] although regarded with high suspicion by the Western European Branch for an alleged opposition to the production of forecasts and estimates, are elsewhere regarded as the most capable of the senior men in ORE, and their monthly product as the most thoughtful and worthwhile of all ORE publications. Contributions for the latter they receive from regional branches and other panels; editing they do themselves by compromise and agreement with the initiating branches and panels. The final product is timed to appear for meetings of the National Security Council. Montague and [redacted] appear to take a rather broad responsibility in reviewing the staff and current intelligence prepared elsewhere in ORE, and their influence seems to be rather pervasive and generally good. They have very strong opinions upon the ultimate from which ORE should take:

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a small, highly selective group of senior, experienced men, whose main function shall be the preparation of estimates for the use of policy planners. Despite their intervention, they consider the present output of ORE to be markedly inferior.

25X1 b. Economics Panel: [] a former colonel in the Army and economics adviser to certain European commands, who prior to the war served in various civil service capacities as an economic analyst. The panel undertakes to review information for its economics implications, and to prepare estimates on the economic capabilities, etc., of potential enemies. In addition, it reviews the staff intelligence of other branches and panels in terms of its economics content. It has been criticized recently as having become obstructionist, and for having produced little on its own despite a large personnel roll. The latter charge is not wholly accurate, since it has prepared studies at the request of the Munitions Board, and has initiated some other staff intelligence, but not a very impressive total. [] is convinced 25X1 that his staff is excellent, and is pleased that it includes experts in petroleum, mines, metallurgy and other fields. He considers the economic output of the regional branches generally very poor, and believes it highly important to check it carefully.

c. Transportation Panel: This also operates as a true panel of experts who review the transportation implications of staff intelligence papers, and who also produce intelligence reports of their own. Some of the latter have been on international civil aeronautical subjects, and have been prepared at the request of federal aeronautical agencies. Circulated as CIA studies, however, they have appeared to lack the essential elements of national intelligence. The panel is generally well thought of. I am not able to comment on the capabilities of the chief, [] 25X1 but the panel has more respect than the other in ORE.

25X1 d. International Organizations Panel: This unit, the head of which is [] a former naval intelligence officer and for many years a lawyer practicing in New York, studies developments in the United Nations, its many subsidiary committees and organizations, the international trade union movement, the World Trade Organization, international youth movements, and even the ECA. [] 25X1 is energetic, and is proud of the quantity of intelligence which his small unit (two assistants) has turned out. Elsewhere one hears that the panel has perhaps taken too broad a field, and has become wrapped up in petty organizational matters of little 25X1 general concern. [] admits that his unit does little "consulting" with branches or other panels.

e. Military Panel: This is staffed by three senior officers of the Army, Navy (Marine Corps), and Air Force. The two whom I met, [] 25X1 were by no means impressive. I gather that their contribution to ORE intelligence papers is very limited and that they produce little intelligence of their own.

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The intelligence product of the several regional branches and panels is edited and published, as indicated earlier, through the Current Intelligence Group and the Estimates Group. These will now be considered.

The Current Group, the chief of which is [] He was assigned to CIA by the State Department and is a former member of R&A Branch, OSS, as a member of which he assisted with the preparation of current intelligence reports. He is generally well regarded in ORE, except by the Western European Branch. The work of his Group falls into three categories: the preparation and publication of the Daily Summary, the Weekly Summary, and of Special Evaluation Reports.

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The Daily Summary, issued daily except Sunday to the President, the Secretaries, the Chiefs of Staffs and the Departmental intelligence chiefs, contains briefs of the most significant reports received during the preceding 24 hours. It is prepared basically from the daily increment of State Department cables. This material is received in the morning in ORE; one copy of each cable is kept for Current Group, and another is sent immediately to the appropriate regional branch. In each place the cables are reviewed and decision made on which should be considered for inclusion in the Daily. The branch then undertakes to draft briefs of cables which it wishes to nominate for the Daily, together with such comment as it wishes to make. This material is then brought to Current Group, and submitted to editors there. These individuals may accept the brief and comment as written, reject both out of hand, or recommend changes. In either of the latter circumstances there is likely to ensue a period of negotiation with branch personnel, who must be convinced as to changes or reconciled to dropping of the item. One of the constant sources of internal irritation in ORE is the lack of clear-cut responsibility between the Branches and the Current Group on the editing of Current Intelligence.

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[] it should be noted, is aware of criticisms directed against the Daily Summary: i.e., that it is not a summary, that it gives a necessarily fragmentary and spotty view of the totality of events of the preceding day. He says, however, that the White House in particular seems pleased with the Daily; there is general consent that such a publication must be prepared by some Washington agency; and that State Department, which supplies 90% of the material appearing in the Daily, is generally willing and even anxious to have CIA assume the responsibility for the publication. It may be noted that working-level views of OIR, State, differ substantially with this view in regard to the Daily.

The Weekly Summary, formerly Top Secret and now Secret, is now in effect a situation report, with items contributed by each regional branch on significant events in its area during the preceding eight days. Ruddleock agrees that the contents of at least the first such Weekly as contributed by the branches were neither very illuminating nor very thoughtful—about on the level of informed newspaper comment. He says

that this is a reflection of the generally low level of competence which exists among

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 regional branch personnel. Preceding the branch contributions is a two-page over-all 25X1

summary of the week's developments prepared in Current Group; [] has hopes that this section may come to perform a task of synthesis which will improve the general character of the Weekly.

The Special Evaluation reports are prepared infrequently and only when ORE wishes to report on a situation of urgency and gravity. Originally, conceived as a "Memorandum for the President" from CIA, the Special Evaluation now receives distribution identical with that of the Daily Summary, and is regarded by ORE as a channel for reporting quick evaluations, based, however, on more than one source, to the upper reaches of the Government. [] feels that in the event of sudden national emergency the facts as available to ORE would probably be reported via this channel. It is not used so rarely as to be disregarded by Current Group or regional branches in the event such an emergency did occur. At the same time, no special evaluations were prepared during the Russian crisis of March, nor during the Czechoslovakian or other sudden alert. It should be noted that Special Evaluations, like the Daily Summary but unlike the Weekly Summary, need not be concurred in in advance by departmental agencies are consulted on them.

The handling of staff intelligence reports written in some detail on relatively broad subjects is the responsibility of the Estimates Group. Originally conceived, along with Current Group, as a single Intelligence Group for ORE, the Estimates Group is now not much more than an editing unit in the sense of adding literary polish, not in the sense of altering interpretation or meaning which also sees to the details of printing and to the mechanical aspects of obtaining departmental concurrences prior to publication. Its acting chief is [] a former naval intelligence officer whose civilian experience was in the fields of engineering and financial and management analysis. He is regarded as somewhat lacking in force.

As originally conceived, and as carried out by [] the function of Estimates Group was to indicate priorities for the production of staff intelligence; to suggest areas that should be concentrated upon, and to assign particular subjects if necessary in the light of over-all intelligence needs. A part of this function is to be taken over by the Programs section of the Plans and Policies Office in the near future; but for the present there is no effective guidance of the production of staff intelligence outside of the regional branches and panels themselves. Thus, the branch chief may assign an analyst to prepare a paper on a subject that seems important; or, as more frequently happens, the analyst may decide that from his own point of view a subject is interesting and perhaps important, and so he prepares an extensive paper. More or less by the inertia of the organization, this paper climbs up through the ranks of the regional branch, past its chief and under the scrutiny of its own editor, into Estimates Group where it is polished and in part

perhaps rewritten for clarity and style, sent to departmental agencies for concurrence.

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and eventually published to the President, Secretaries, etc. At no point does it

now pass a rigid and responsible inspection for its relevancy, national intelligence significance, or its timeliness, and it has generally been so tardy as no longer to be timely if it was planned to be so at the outset.

The Estimates Group has the same problem as the Current Group in reaching agreement with the branches and panels on the wording of papers, but probably not to the same degree. Its special grievance is the unwieldiness of the present method of obtaining departmental concurrences on ORN intelligence reports. The mechanical aspects of this procedure--messengers, deadlines, consultations with departmental authorities, etc.--are handled by Estimates Group. When departmental agencies raise objections to the contents of papers, however, the Estimates Group then arranges conferences at which the originating branch and the dissenting agency may review together the causes of the latter's dissent. [] and the branch personnel find this system tedious and often little more than a discussion of semantics. More seriously, they state that there is a fundamental lack of understanding among the departmental agencies as to the precise nature of "concurrence" and "substantial dissent," i.e., whether concurrence means absolute agreement on the particulars of analysis, interpretation, estimation, etc., or whether it may mean general belief that the main considerations have been set forth fairly. Equally, does "dissent" mean opposition to the whole concept of the paper, or may it be entered if a departmental agency disagrees in one of several conclusions? These matters have been drawn to the attention of ICAPS with the hope of getting a clarifying directive issued by NSC; these efforts are now at a stalemate. Because of its difficulties with the departmental concurrence system and its difficult relations with the regional branches and panels, the personnel of Estimates Group have elaborated rather strong but probably inaccurate views on exactly how a Central Intelligence Agency should operate, and how it should coordinate departmental intelligence agencies. The departmental agencies, for their part, are not seriously troubled by the concurrence problem. Although they find it occasionally troublesome.

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Existing apart from the branches and panels, and also from the Current and Estimates Group, is the Basic Intelligence Group mentioned briefly in an earlier portion of this report. Its single mission at the present time, and in the foreseeable future, is to promote the compilation and publication of a series of National Intelligence Surveys. These will include a summary of all the basic data available on national areas: location, geography, topography, hydrography, people, cities, politics, sociological structure, etc., and will constitute a permanent replacement for the war-time JANIS series and the subsequent War Department SID series. On the basis of experience as chairman of an ad hoc committee of CIA and departmental authorities,

[] chief of the Basic Group, has drawn up an elaborate

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summary of the contents of each future NIS, and has arranged for allocation of each chapter, section and sub-section to one or more departmental agency. The latter will have responsibility for the collection and review of the material required for sections assigned and will furnish Basic Group, ORE, with finished text. Basic Group will review this text with its own staff of editors, submit it to the appropriate regional branch or panel of ORE, and include it in the finished loose-leaf study. In coordinating departmental production of this material, [] has had departmental agencies state their personnel and financial needs in advance, so that these may be considered and approved in advance by IAC. Final approval of the program has yet to be given by NSC, but is expected before 1 July 1948. 25X1

The staff groups of ORE, as indicated earlier, are the Administrative Office and the Plans and Policies Office. Administration undertakes three major responsibilities: control of intelligence reports; procurement of personnel; and working facilities and arrangements. The extensive control system for documents appears to be not only adequate but good, without being too ponderous for its purpose. The personnel procurement task is very difficult because of the length of time—four to six months—now required to obtain security clearances on all clerical and professional help, and because of the difficulty of attracting genuinely high-caliber individuals into ORE positions because of salary, anonymity, and delay in appointment. These considerations have contributed to a number of personnel problems which seem now to hamper the efficiency of the entire organization. The allocation of working facilities, space, etc., is on a level with other federal agencies. Its chief is [] and civil servant. 25X1

The Plans and Policies Officer is [] a former air force intelligence officer with an architectural and building background. His staff is responsible for ORE liaison with such outside groups as ICAPS and departmental intelligence planning groups. It also reviews allocation of responsibility, etc., within ORE, and acts as the Assistant Director's advisory group on intelligence planning. When fully established, the Programs section of Plans and Policies will provide firm guidance for the production of staff intelligence papers. Its requirements section already reviews requirement requests of ORE divisions and passes them to OCD; it has also taken over some general field collection requirements responsibilities from the original OCD before its recent reorganization. Plans and Policies, interestingly enough, now has a unit reviewing material from special sources, and it is understood that this activity will expand in the future, rather than be surrendered to regional branches, panels, etc., where other substantive reports are reviewed. [] is acutely aware of the "coordination" responsibilities of CIA and ORE, and conscious that they have not been discharged as was originally anticipated. He credits this failure to an unwillingness of the departmental agencies to submit to coordination by CIA, with the result that in some degree the latter produces intelligence by supplication, not of right. He is also 25X1

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aware of the divorce of ORE from planning agencies on the highest level, with
the result that ORE lacks contact with the realities of national policy. These
criticisms and others of ORE will be reviewed in some detail in later portions of
this review.

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This discussion will be based upon the four aspects of intelligence coordination described in Mr. Jackson's letter to Secretary Forrestal of 14 November 1945. Although the categories of coordination set forth there were meant to apply to a central intelligence agency as a whole, they are applicable to a degree to the Office of Reports and Estimates as now established, and will be considered here in that limited sense.

1. Coordination in the collection of information: ORE's contribution to this aspect of centralized intelligence activity is confined to one function, and that one lately acquired. This is the responsibility for coordinating and evaluating priorities of field collection requirements of its own and of departmental agencies. Until approximately 15 May 1948 this function was discharged by the Office of Collection and Dissemination of CIA, but following OCD's reorganization the requirements task was handed to ORE, and has been assumed as indicated earlier by its Plans and Policies Officer.

In theory, ORE's function in this field is to receive intelligence requirements specified by departmental agencies, review them in the light of the overall needs of U.S. intelligence, decide which requirements are most pressing, and forward those given priority to OCD for assignment to the proper division or divisions within CIA or to the departmental agencies (or both) for action in Washington or in the field or both.

The mechanism for issuing requirements has not been fully elaborated. At present, however, and in the foreseeable future, there will be no coordination through the IAC, the closest corollary now in existence to the Directorate of Intelligence mentioned in Mr. Jackson's letter. Since ORE is almost wholly deprived of access to the current plans of the chiefs of staff and the intimate objectives of American foreign policy, there is little question of coordination in this respect, except as ORE personnel may make shrewd assumptions as to national objectives and plans. The specific collection assignments and the procedures to be followed by agencies receiving the assignment are beyond the purview of ORE. Similarly, the responsibility for seeing that intelligence furnished as a result of issued requirements is sent to the proper place belongs to OCD rather than to ORE.

Neither ORE nor other divisions of CIA have attempted to become a centralized collection agency. Instead, full use is made of departmental collection facilities, as well as the common services of OO and OSO established in CIA.

Material from special sources is not now centralized in CIA.

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2. Coordination in the evaluation and collation of intelligence material. In theory, as explained in Mr. Jackson's letter, this would involve assignment of primary responsibility in certain intelligence spheres to departmental agencies (such as has been done to a degree in NSC-3), with CIA (ORE) performing the function with regard to fields of common usefulness.

Actually, there is no doubt that ORE serves as a "fifth" departmental intelligence agency, overlapping to a greater or lesser degree the collating and evaluatory functions performed in departmental agencies. ORE does not, it is true, attempt to duplicate ID, Army's order of battle function; Navy's strictly naval intelligence, or Air Force's intelligence with regard to foreign air capabilities. It does, however, broadly overlap OIR, State's work in economic and political intelligence; it does duplicate military-political and military-economic analyses which (properly or improperly) are now being written in ID, Army; and it does undertake extensive projects of reporting current and staff intelligence which incorporates the same basic raw material used by the departmental agencies in their own work.

The theoretical justification of this extra-departmental intelligence production on ORE's part is the assertion that ORE is producing "national intelligence" rather than departmental intelligence. Insofar as this term is defined, it means that ORE is concerned with a "broader field" than departmental agencies; that it considers national security as a whole rather than segments or fragments of it; that it interprets reports independent of a "departmental bias." A more practical justification which recurs repeatedly as the explanation for the production of, in particular, items of staff intelligence, is that "no one else is doing it." By such negative reasoning, ORE appears rather frequently to explain the production of intelligence studies which are circulated into the highest levels of the government.

The true significance of ORE's status as a "fifth" intelligence producing agency lies in the fact that it has rejected any intelligence concept whereby the departmental agencies would provide it with finished studies which it would then review and perhaps incorporate in national estimates; or any further concept of defining departmental responsibilities in the fields of evaluation and collation, with consequent assignment of function and exercise of control over the product. More precisely, ORE has largely and consciously abdicated any responsibility or right to define departmental evaluatory and collating functions, to require that they be performed, and to demand that they be made to conform to an over-all pattern of national intelligence activity. It is true that ORE is now involved in a project under consideration by ICAPS for establishment of a standard operating procedure in the interdepartmental production of staff intelligence papers, which will define the terms upon which such papers may be proposed, written, and issued by CIA with the cooperation of departmental agencies.

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This measure has not yet got near the stage of approval, and it seems probable that if approved it will incorporate ample provision for departmental agencies to plead prior commitments in declining ORE requests for collaboration.

Interdepartmental coordination, indeed, has never meant much more to ORE than interdepartmental entreaty to assist in the production of intelligence studies. The present Director has never taken a firm line with his own people or with departmental agencies in insisting upon coordination of this sort; and in the absence of any such attempt, the departmental agencies have consistently refused to place CIA requirements ahead of their own commitments to their chiefs of staff, secretaries, etc. There is general agreement in ORE that until NSC or other agency can enforce CIA's right and responsibility to coordinate evaluation and collation, there can be nothing left to ORE except to function as it now does, as an independent intelligence producing agency with no more rights or influence than the departmental agencies.

With respect to the "fields of common usefulness" now incorporated in ORE, viz., the Scientific Branch and the Map Branch, there is no question of their primary function in collation and evaluation. The Map Branch is nowhere duplicated in the government; and the Scientific Branch is established on somewhat different terms from the technical and scientific branches of the departmental agencies. Its main quarrel, indeed, is over the distribution of responsibility for scientific intelligence within CIA, not outside. Economic intelligence is assigned by NSC-3 to each departmental agency insofar as it is interested; the economics panel of ORE serves as a consulting body and as a collating and evaluatory agency to accept special requests for economic studies addressed to CIA. It attempts no general coordination of economic intelligence in the government.

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3. Coordination through centralization of intelligence facilities or services of common usefulness: In a broad sense the "services of common usefulness" of CIA are those performed by OO and OSO, ORE itself, however, does provide certain such services. As indicated above, the Map Branch and Scientific Branch perform functions not specifically duplicated elsewhere. In some degree the economic panel, transportation panel, international organizations panel and the global survey panel afford facilities not specifically provided elsewhere. In a somewhat limited sense, the Current Intelligence Group, in producing its Daily Summary and its Weekly Summary, performs a service to the higher levels of the government not available at present through departmental agencies, but possibly capable of being performed by them.

The unique "service of common usefulness" involving a high degree of departmental coordination now performed by ORE is the work of the Basic Intelligence Group in planning and executing the National Intelligence Survey series. As indicated in Part I of this summary, the Group's role is purely that of allocating intelligence responsibility to departmental agencies, receiving a finished product from them, editing and checking it, and issuing completed studies which represent the combined and coordinated work of the departmental intelligence agencies.

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4. Coordination of intelligence opinion in general estimates of a broad strategic

nature: As conceived in Mr. Jackson's letter, and as originally conceived in CIG under Adm. Souers, the function of coordination in the production of strategic estimates involved contributions of finished estimates within their own spheres from departmental agencies, similar contributions from the "special service" departments of CIA, and the discussion and reworking of the whole into a completed national estimate by CIA, specifically by ORE. Actually, in its role of a "fifth" departmental agency, ORE is not now performing this function, and probably cannot perform it under existing conditions.

Instead of combining the considered opinions of departmental agencies into integrated and balanced national estimates, ORE now undertakes to prepare its own intelligence studies (which may or may not be estimates in any broad sense) from the materials available to it. Having completed and edited its draft, ORE through its Estimates Group sends the text to the departmental agencies for their review and formal concurrence or substantial dissent. In this way, again by indirection, ORE considers that it expresses coordinated departmental opinion through its own reports. Should departments enter objections, ORE representatives discuss the questions with them, make alterations if necessary to obtain concurrence, and then publish the paper as it appears after this scrutiny and compromise. The final product, instead of being a basic discussion and reworking of departmental contributions, no one of which covers the entire scope of the finished estimate, is a sort of Gallup Poll of departmental agencies on the literary efforts of ORE employees.

There are numerous reasons why ORE, as it is now constituted, is not and probably cannot undertake a broad estimate-producing function of weight and meaning. At the outset it has no adequate access to policy-making circles, either in JIC or NSC. It lacks almost entirely any information on day-to-day formulation of American foreign policy and military policy. It assumes that it can only solicit, hat in hand, departmental studies on given subjects, which are then supplied within the limits of departmental convenience or not at all. It has relatively few personnel equipped by background and intellectual competence to prepare national estimates on the highest level. It does not have sufficient guidance within itself or within CIA which would give it the moral and intellectual strength necessary to perform such a task.

The curious contradiction of ORE at present is that some--but not all--of its personnel believe it to be performing a national intelligence function of great value to the government. They recognize in large part that responsibility would be theirs in the event of another Pearl Harbor; yet fail to comprehend that they are not producing the sort of national estimates which would most probably preclude Pearl Harbor from recurring.

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Even Mr. Babbitt, the head of ORE, recognizes that the present activities of ORE are much different from those envisaged by Adm. Souers or contemplated in Mr. Jackson's letter. He professes confidence that ORE as now constituted could discharge such a function provided it had the right to compel support and assistance from the departmental agencies. He obviously feels that there is no danger of the departmental agencies approving any such outside demands upon themselves, and appears to be content to allow ORE to continue as at present. It is not readily possible to obtain from him a precise definition of just what ORE is now doing, and for whom.

In this connection, it should be noted that the considered staff intelligence reports which ORE now issues in the "ORE Series" are generally initiated on a low or medium branch level, are approved by branch heads without reference to or knowledge of broad intelligence needs except as these appear evident on the working level, and are finally completed and issued again without much concern for timeliness or relevancy. The programs section of the Plans and Policies Staff is expected to remedy this situation in some part; but until ORE had access to policy planning it can never be related precisely to the real intelligence needs of the country at any given moment.

In fine, the coordinative function of ORE is negative if not non-existent except in certain specified and rather closely limited areas. Underlying ORE's failure to contribute in this field is a conviction, held in varying strength by the responsible people in ORE, that it should be doing more coordinating, that it was intended originally to coordinate rather than to produce, that it could coordinate if it had stronger leadership, a more precise charter, more authority over the departmental agencies. There is in some quarters considerable dissatisfaction with ORE's present output, and an anxiety to change it back to the earlier concept of high-grade coordinator of departmental intelligence the mission of which was to produce national estimates. The practical difficulties of achieving true coordination at the present time, the inertia of events since CIG days, lack of real leadership in CIA, and the ponderous character of the present ORE structure, however, all militate against ORE's assumption of a firm commitment in the field of interdepartmental coordination.

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We have now reviewed the present organization and operation of ORE, and have considered the manner in which it discharges - or fails to discharge - its function as a coordinating agency in the production of national intelligence. It now remains to specify in what manner ORE has earned praise or censure from its own people and from qualified observers outside; and to evaluate what appear to be its strengths and its weaknesses. It is important to point out that this attempt to arrive at a balanced view of ORE's good and bad qualities is shaped by the assumption that its mission is properly the one which ORE itself professes, viz., that it shall produce "national intelligence required for national planning policy and operational decisions." It shall be assumed that such policy and decisions are on the top level of the government, and potentially may affect the fundamentals of national security.

The praise which one hears for ORE is more or less desultory, given frequently in reference to a particular report or series of reports, and with greater or less mindfulness of the broad mission of CIA and ORE. Thus there is some attempt to justify ORE by saying that it "does what nobody else is doing," that its papers and reports cover gaps in the Washington intelligence picture which need to be filled, and which would remain gap were it not for ORE's intervention. It is hardly necessary to point out that any such statement begs the question of whether the gap which ORE happens to fill genuinely needs filling from the point of view of national security; and also whether it is truly ORE's function to act as intelligence backstop and gap-filler in any event.

ORE is also described, generally by its own people, as "the only agency that gets everything" in the way of intelligence raw materials. Actually, they do not "Get everything particularly special source material and operational information. When it is pointed out that there is wide interchange of raw intelligence among departmental agencies, ORE people reply that they get the fullest dissemination first, and therefore can perform an evaluating function more rapidly than other agencies. In rebuttal it may be pointed out that speed of distribution is rarely of the essence when it comes to preparing a lengthy and weighty staff intelligence estimate. In the field of Current Intelligence it has some application, but is not an intrinsic superiority of CIA or ORE. At best, it implies a broad field of duplication between ORE and departmental agencies, which presumably receive as much raw material as ORE and which read it with equal care a few hours later.

"ORE contains many good men, and given a chance could do a lot." This rather uncritical observation is related to another point of view, to the effect that ORE is after all a very young agency, and must go through the customary tribulations of growing up. It is a recognition of present short comings rather than a definite promise of better things to come.

Some observers give ORE's output of finished intelligence fairly full marks. The most frequently praised item is probably the monthly "Review of the World Situation as

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Summary and to the ORE series; the Weekly Summary appears to make relatively little impression. On the other hand, one experienced observer, whose view is not unique, remarked that ORE's output is "spotty, ranging from less than fair to excellent." Some critics find the Monthly Summary itself wordy, irrelevant and not very penetrating. In general, one can confidently say that the ORE output is variable in quality and usefulness.

The criticisms of ORE are more numerous and specific than the plaudits, perhaps because it is easier to solicit unfavorable comment than it is the opposite. In broad terms, these criticisms are as follows:

It is frequently said, both inside and outside of ORE, that ORE (and CIA) fails to coordinate intelligence in Washington and the field. This has been considered in Part II of this summary, and so will not be reviewed here.

It is also said that the ORE product is frequently not "national intelligence," and that ORE, apart from its Current and Basic Intelligence which are not meant to be considered commentaries on national security problems, produces much that has little specific connection with U. S. security, even when broadly considered, and is often not timely so far as the subjects considered are concerned. In this connection may be cited the reports on civil aeronautical subjects mentioned earlier; and other reviews of subjects unrelated to operational needs. Some branch chiefs of ORE go so far as to say that all of ORE's output is by its nature "national intelligence" others, more cautious, consider only that "national intelligence" occurs in many ORE studies, but is not necessarily the sole content of these studies, and not necessarily as rigorously defined as should be the case.

It is also objected that all CIA reports, although they may and often are unrelated to operational requirements or to national planning go directly to the President. This results in his receiving a flow of intelligence information which may not be relevant or timely, but which conveys the impression that it represents the best efforts of the combined intelligence services of the government. Aside from questions of departmental resentment, there is a serious question of whether the White House may not be misled by the intelligence products which is not privy to national security policy, lacks full source material, and is staffed overwhelmingly by junior analysts.

With regard to Current Intelligence, there is a rather vocal body of opinion which questions the necessity either for the Daily and Weekly Summaries to be produced at all, or, if they must be produced, whether ORE should be responsible for the function rather than the State Department. It is pointed out that the Daily, in particular, is fragmentary, disconnected, and in no sense a summary except as it happens to brief the cable messages of State and other agencies which are most vital on the day they are received. It provides no daily running comment on the world security situation of the nation, and such comments

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as CIA adds to departmental field reports are often no more than truisms, and sometimes judgments which in their nature can only be made effectively in the field and not by any headquarters agency. In rebuttal, the Current Group of ORE asserts (correctly) that Mr. Truman "likes" the Daily Summary in its present form; and that State is not anxious to take over the editorial responsibility of producing it. The Group also asserts broadly that "some such" report of the cream of daily cable traffic is required in the government, and that their product fulfills the requirement.

Finally, there is some criticism to the effect that ORE duplicates departmental agencies. This comes in particular from OIR, State, which considers that the political intelligence produced by ORE is parallel to their own output, and could be supplied by them on request of ORE. Such criticism draws a distinction between the "special services" which a central agency can perform for all intelligence and the broad duplication of services or functions which occurs in fact. When this is discussed with ORE personnel they are inclined to say that they have not found it possible to obtain the coverage in fields allegedly duplicated from the departmental agencies, and thus have had to enter these fields themselves. This is an attitude also reflected in ORE's stand toward departmental coordination: that is an attitude also reflected in ORE's stand toward departmental coordination: that in the absence of coordination, ORE must supply the services it needs and which departmental agencies will not supply.

There are a number of other criticisms of a more specific nature which are directed against ORE. Each of them, however, has bearing on the general problems just cited. They will be considered individually in the analysis of ORE's weaknesses to follow later.

On balance, the criticism of ORE function seems to outweigh the praise accorded it. Yet there are certain assets in ORE as it is now composed which cannot be overlooked and which gives some promise of a more effective and healthier organization. One such asset is the generally serious and sincere purpose of the people holding responsible positions in ORE. Some of them, it is true, are more than mildly critical of the present organization and its output; others are less inclined to find fault, but still hopeful that better things can come. Broadly speaking, however, there is interest in ORE and CIA, an anxiety to perform well, and a certain pride in ORE and its products. The personnel situation appears to have a number of defects which will be mentioned later, but along with the defects is a certain amount of esprit which may in itself overcome some present shortcomings. More specifically, there are a number of able men in ORE; among them are Montague and [] of the Global

Survey panel, although these are warmly criticized by Western European Branch; [] of 25X1
Current Intelligence; [] the Plans Officer; [] chief of Near Eastern Branch; and 25X1
some others. There is much question as to the contribution of [] chief of Western 25X1
European Branch, but he has a forceful personality and vigorous ideas. ORE appears to have moved rather slowly - perhaps too slowly - in its relations with departmental agencies, but as a consequence has established generally good if not unique working relations with them.

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ORE's men are given the respect and hearing accorded to personnel of departmental agencies; and while it may be argued that a central agency should command greater respect than this among its peers, the existing situation could be much worse. ORE's Daily Summary appears to be well thought of at the White House. In the production of its staff intelligence ORE appears to stress the overriding question of national security, and to make some attempts at estimating capabilities and intentions. Thus it does not lay itself open to the criticism of OIR, State, viz., that reports are often academic and post facto. Some ORE products have been out of date, but have made some effort to cope with an existing security situation, and not merely to recite what has gone before.

With due regard to the merits which ORE may now claim to have, its defects and weaknesses are more telling than its points of strength. Especially is this true in measuring the present ORE against the yardstick of national intelligence production for policy planning and operational direction. The following appear to be the outstanding weaknesses of the present organization

(a) It has insufficient access to the counsels of the policy planners and the directors of diplomatic and potential military operations. As explained in Part I, ORE's contact with the National Security Council is, in the first instance, through Mr. Childs ICAPS, who is not a substantive intelligence officer, and is personally rather limited in outlook. In the second instance, Mr. Montague of ORE attends some meetings of the NSC staff in an effort to ascertain the problems of national security upon which the Council and its staff are working and which may be presumed to be important. He attempts to keep ORE informed of the intelligence requirements, and to guide ORE's operations in the light of the NSC's own needs and priorities. Neither effort is particularly successful, but not because of Montague. Although he has obtained some specific requests for estimates from NSC, and although he has provided substantive counsel in discussions by the NSC staff, he has not been able to obtain constant access to NSC deliberations in such a way that ORE potentialities can be exploited fully, or that ORE may have the advantage of NSC guidance and direction. The Director, who attends NSC meetings, provides no assistance at all.

A similar situation exists with regard to JIC and JIG. The liaison again is through a member of ICAPS, whose net contribution since his appointment as CIA member of JIG in January, 1948, has been to present two JIG papers to ORE for comment. He has in no way kept ORE informed of JIG or JIC thinking or problems, and has not conveyed any requests for original estimates from the Joint Chiefs to ORE. Thus with respect to both of these senior agencies which guide and develop American policy, ORE's status is that of isolated agency more ignored than consulted and given only limited responsibility for the preparation of national intelligence estimates pertaining to actual security problems. The fault lies perhaps as much with NSC and JIC as with CIA, but the failure of the latter to exploit its special status with respect to NSC in particular cannot

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(b) ORE has little or no access to current U.S. operational information. This is another aspect of the agency's separation from the policy planners. Not only is it ignorant in most instances of the immediate problems confronting these planners (the Russian crisis of March - April, and the recent Tsingtao problems are examples) and not only does it not provide intelligence estimates tailored to fit these problems, but it is not informed of steps taken by State Department and service departments throughout the world which may and regularly do deeply affect the capabilities and the probable moves of foreign states. It is true that the Current Branch of ORE does receive a limited flow of State Department operational information, but not to a degree or in sufficient volume to keep all branches and panels of ORE informed of U.S. diplomatic moves as they are anticipated and as they occur. Equally important, there is no flow of any kind of army, navy or air movements in occupied areas or foreign parts which may result in corresponding measures or movements on the part of foreign states under scrutiny by ORE. In the absence of such operational information, except as it appears in the press or is transmitted by government grapevine, ORE cannot fully evaluate the national intelligence it produces. Again, the Director does not insist that his agency has access to such information.

(c) ORE personnel are not capable of preparing genuinely high-grade national intelligence. This weakness is traced to the recruitment policy of ORE after it undertook rapid expansion in 1946 and 1947. At that time numerous junior analysts were employed before senior positions were filled. As recruitment for the senior positions lagged, juniors were too frequently promoted to take these vacant places for lack of incumbents. The result was the placing of heavy substantive responsibility in the hands of youngish individuals whose academic experience and travel were strictly limited, and who lacked almost completely any first-hand appreciation of the problems of forming national security policy. An equally dangerous situation has arisen as a result of this policy of rapid promotion: the subsequent applications of more qualified individuals for senior positions in ORE have sometimes been ignored purposely in order to protect the positions of individuals already on the rolls.

Not all branches in ORE have suffered from this administrative failure; notable exceptions are the Near Eastern and the Latin American branches. Some of the younger men, moreover, have risen to their jobs and have shown genuine promise. The opinion persists in ORE, however, reinforced by the almost daily experience of the Current Group, that a large body of not fully competent but somewhat stubborn individuals is still employed in ORE, with the result that intelligence production is not on the intellectual plane which might be supposed.

A further criticism of the personnel situation is based on the prevalency of active

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or former service officers in the higher administrative positions of ORE who tend to hang together. There is evidence in ORE that a so-called "Navy clique" exists among naval officers, active and reserve, assigned there, and that this clique has been able to influence internal ORE policy through the outside intervention of ONI with the Director of CIA. This is denied by Mr. Babbitt, but almost certainly exists.

The personnel situation in ORE is particularly serious when considered in the light of the Office's mission to produce national intelligence estimates for policy planning, etc. If the estimates to be used by planners are to be written by men of limited experience, and background, who may or may not be conscious of their limitations, but who cannot fail to be aware and perhaps jealous of their important roles, some misjudgment may be expected to occur. Even review by highly competent senior officials cannot prevent mistakes from being made; and certainly cannot prevent the issuance of wordy and rather poorly written reports. Precisely in proportion as it fulfills in fact a function of value and importance to policy planners, ORE will need to be staffed by the most competent intelligence analysts available.

As a further commentary of the personnel situation in some regional branches in ORE, it should be noted that the tendency is for the branch chief to assume an administrative rather than a substantive intelligence role, with the result that the intelligence product is often that contributed by the least experienced individuals in the branch, and merely reviewed by the branch chief.

(d) There is little control over the production of staff intelligence in terms of subjects or priorities. As matters stand, it is the theoretical function of the Estimates Group to guide the production of staff intelligence. Actually, the Programs section of the Planning Staff is expected to assume this function shortly. Hitherto there has been little or no control over the preparation of staff estimates in terms of their relevancy to the national intelligence needs, or the need for them. As one ORE observer described the situation, "the P-2s decide what intelligence will be produced," i.e., the most junior analysts are perfectly free to suggest proposals for intelligence studies, their proposals are usually reviewed only at the branch level, and the study or estimate is then produced with only working-level checks with departmental agencies to compare notes and to avoid duplication. There is little or no programming from the top: a definition of the fields in which effort should be directed, and a priority listing of the particular subjects which should be considered first. The problem is related, of course, to ORE's separation from policy planning; but also reflects a lack of direction within the organization itself. As indicated, the Programs section of the Planning Staff is expected to give firmer guidance in this field in the future.

(e) ORE regards the system of clearances and concurrences as a sufficient substitute for coordination of departmental intelligence activities. This has been more fully

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discussed in Part II, but cannot be overlooked here. The net effect of ORE's willingness to become a "fifth" agency, and to abdicate responsibility for depending upon departmental contributions as the basis of national intelligence estimates has been to leave departmental agencies in their native state of independent units serving chiefs of staff, etc., and not necessarily the broader needs of national security. The agencies themselves profess to see a need for CIA and for coordination in production through ORE, and consider that ORE's failure to give guidance in this field has been in some degree a failure of the bright promise of central intelligence.

(f) ORE lacks a firm and uniform understanding of precisely what "national intelligence" is. This again clearly related to the agency's separation from the consumers of national intelligence. Since intelligence production as it now exists is chiefly a one way street for ORE, down which its completed studies go, never to return and to send back no word of the joy or sorrow in which they were received, the organization cannot perhaps be blamed for not having clearer comprehension of its mission. Still, an outside observer cannot fail to observe that neither the Director nor other CIA or ORE individuals have been able to provide any effectual link with the high level consumers of the ORE product. No praise, criticism, nor comment is thus returned on most ORE publications and studies, with the result that production tends to be along the same lines as in the past, with "no comment" interpreted as meaning "good" or "enough." It is difficult to avoid the conclusion that the Director of CIA should be more anxious than he apparently is to make sure that the completed product of his reports section should be indispensable to policy planners. He should regard anything less than indispensability - mere "usefulness" or "interesting" - as in some sense failure.

(g) The ponderous and departmentalized organization of ORE makes for inefficient production. This fact, coupled with the apparent tendency of Mr. Babbitt to go along with rather slack administration, leaves two areas ripe for contention in the daily working relations of ORE. One of these is the ever-sensitive relationship of the regional branches and the panels to the Current Intelligence Group. This has been mentioned in Part I. The other is the equally undefined responsibility of regional branches with respect to consultant's panels. Granted that intelligence production, or the production of any opinion for that matter, is not a subject for the absolute delimitation of authority, it appears that ORE is now so organized as rather to favor argument and discussion rather than to provide a means for resolving controversy. Granted also that the analysts of ORE now enjoy full intellectual freedom, and should have full freedom to arrive at their own expert conclusions, means might well exist for the reconciliation of divergent views without the friction and controversy that now exist.

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IV. Tentative Conclusions

In the light of the foregoing critique, it is possible to suggest certain major headings to which the Committee may give consideration in arriving at its ultimate recommendations. For the most part, these may be traced directly to the criticisms and weaknesses detailed in the preceding section. The following are perhaps the most significant:

1. The task of ORE to produce a distinctive national intelligence product, i.e., reports and estimates involving the national security, should be designated as its overriding function.

National intelligence should be defined as intelligence affecting U.S. security on the highest level, both currently and potentially. It should be prepared from the distinctive contributions of the military, naval and air intelligence agencies and from the political, economic and social contributions of OIR, State, as well as by ORE itself. It should be intelligence of the highest quality and broadest scope, and representing a synthesis of departmental contributions in its final form. It should stress quality instead of quantity, genuine significance instead of mere interest or convenience. It should be prepared in anticipation of all international developments which are crises or which might reach the stage of crisis involving the national security. It should also comprehend world strategic developments which may affect American national interests in years to come.

Interpreting national intelligence in this light, ORE should cleave strictly to it, and should not undertake intelligence reporting of a lesser or ancillary sort. If undertaken at all, this should be done by the departmental agency most concerned, and in any event should not be regarded as national intelligence.

2. ORE must gain access to policy thinking as conducted in the National Security Council, the Joint Intelligence Committee, the President's Cabinet, or other agency of national planning on the highest level.

It must serve this agency or agencies with its intelligence estimates, prepared in the terms in which problems present themselves to the planners. ORE, for its part, should integrate its production program

to the precise needs of the policy planners, with due regard to its function of giving warning to policy planners of future problems implicit in the intelligence picture. Thus, ORE must be able to rely upon its consumer for guidance in the production of intelligence; and the consumer must depend primarily upon ORE for the intelligence studies it needs. As a further corollary, ORE must receive the operational reports of the departmental agencies which will keep it informed of the day-to-day development of American foreign policy in the diplomatic, economic and military spheres. It should assume or allocate responsibility for reporting operational measures to the President and other recipients of its Daily Summary. ORE should also develop a more perfect system for the use of special source information within its own organization than has yet been the case.

With the assumption of the broad privileges and responsibilities of producing national intelligence, ORE must train its personnel much more rigorously than in the past to consider intelligence in its broad and essentially national aspects. It must have a carefully guided system of intelligence priorities, and a continuing criticism of its intelligence collection requirements to make sure that its substantive efforts are most fruitfully expended. It should try to develop a high sense of discrimination as to what is national intelligence and what is not; and to relegate what is not to departmental agencies.

3. ORE should undertake a broad and responsible function of departmental coordination in the production of intelligence estimates and in the guidance of intelligence generally.

As indicated above, ORE should tend to rely more than in the past on departmental contributions to intelligence estimates; it should encourage CIA to establish ORE's right to control the departmental agencies in this field, and should enforce any responsibilities given to it. By the same token, it should avoid research duplication in specifically departmental fields, including that of political intelligence.

In coordinating departmental contributions to national intelligence estimates, ORE may well continue to afford some "common services" on the order of Basic Intelligence and perhaps Current Intelligence. It may also include a Scientific Branch for its own estimating purposes and also as a common service available to departmental agencies. Its Map Branch, however, insofar as it is a service function and not an intelligence estimating unit, might be turned back to the State Department, with provision for its financial support there.

4. ORE's administration must be strengthened in order to perform the role outlined here.

Some consideration should be given to Mr. Babbitt's present capacity as Assistant Director. More particularly, administrative measures should be encouraged which will resolve as much as possible the time-consuming and relatively futile discussions and arguments between the substantive intelligence producers and the editors of the Current and staff intelligence publications of ORE. If it is assumed that the Daily Summary shall continue, its editing should be scrutinized and perhaps given to one group as its sole responsibility, giving the substantive groups and branches the right only to comment upon briefs which the responsible unit shall write.

5. The personnel policy of ORE should be rigorously reviewed and revised.

The qualifications of the intelligence analysts, etc., now employed in ORE should be reviewed in the light of the strict definition of ORE's national intelligence function, and those whose responsibilities outweigh their background and achievement should be dropped or placed under closer supervision. The personnel situation in each branch should be carefully analyzed, and employment of new personnel planned to strengthen each unit in terms of its function as a producer of national intelligence. Consideration may be given to reducing the overall personnel of ORE, with a view to tightening administrative and working relationships and to providing for more convenient exchange of views within the organization. It is assumed that the CIA administrative lag in security clearances will be overcome not only with respect to ORE but with regard to the entire organization. Emphasis in procuring new personnel should be put on mature persons of broad experience not only academically and regionally, but in the planning and implementation of national policy. Stricter administration should eliminate any tendency for the formation of "cliques" by service or other groups of individuals.

6. ORE should keep in close touch with the Director of Central Intelligence, who should lend his assistance in guiding its function. The Director should consider ORE his most valuable unit with respect to his duties in connection with the National Security Council. He should keep it informed of his own NSC contacts, and should take an active interest in the manner in which its estimates are received, comments upon their timeliness, relevancy, etc., and should communicate this at once to the Assistant Director, ORE.

While the Director himself is in close touch with ORE, the branch chiefs of ORE should seek to divest themselves as much as possible of mere administrative duties in favor of assuming greater substantive burdens. They should take active

charge of the production of intelligence reports, and should produce some themselves, on the assumption that their position is justified more by their broader substantive experience than by their competence as administrators.

7. The organization of ORE may perhaps be simplified. It is possible that the consultant's panels might be unified, and given a more precise definition of their work than now exists. Similarly, the conflict between them and the regional branches should be resolved. Their requests for additional personnel should be reviewed carefully in terms of the definite contribution which they can make. The question of economics intelligence as assembled in the government should be considered by itself, with a view to establishment of OIR or ORE as the responsible unit in this field.

8. The production of Current Intelligence, particularly of the Daily Summary, should be reviewed as to its real value to the government. If nothing else, consideration should be given to altering its form, to provide more comprehensive coverage. Allocation of the function to the State Department should also be considered. As indicated earlier, the production of staff intelligence should be rigorously regulated in terms of the strict needs of policy planners and operational authorities. Consideration should be given to dropping the weekly summary entirely.